

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the structured products described below.

## **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 Amount of Affected Warrants linked to Semiconductor Manufacturing International Corporation (“SMIC Warrants”)**

Reference is made to our announcement dated 18 January 2021 (the “**Announcement**”) regarding the early termination of the SMIC Warrants. Capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement unless the context requires otherwise.

Investors should note that:

- (a) trading in the SMIC Warrants has been suspended from 9:00 a.m. (Hong Kong time) on 2 February 2021;
- (b) the SMIC Warrants were early terminated on 5 February 2021; and
- (c) the valuation methodologies applicable to different listed structured products vary according to the actual terms of the relevant products 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 SMIC Warrants only applies to such products, 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.

#### ***Early Termination Amount***

Pursuant to the Announcement, we have determined the Early Termination Amount in respect of the SMIC Warrants as set out in the schedule attached to this announcement.

In determining the Early Termination Amount for each series of the SMIC Warrants, we have used our existing pricing model for the relevant series of the SMIC Warrants. The key market factor inputs of such pricing model are:

- (a) comparison of the “**Average Price**” against the exercise price applicable to the relevant series,

Where:

- a. the “**Average Price**” refers to the arithmetic mean of the closing prices of one share for each Valuation Date as specified in the schedule attached to this announcement;
  - b. the “**Valuation Date**” refers to each of the five Business Days immediately preceding the Early Termination Date (i.e. 29 January, 1 February, 2 February, 3 February and 4 February 2021);
- (b) the average of the implied volatility 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 (i.e. 29 January 2021 and 1 February 2021); and
- (c) the time value between the Early Termination Date (i.e. 5 February 2021) and the original scheduled expiry date of the relevant series.

No cost of unwinding any related hedging arrangements or other costs would be deducted from the Early Termination Amount of the SMIC Warrants.

The Early Termination Amount per Warrant is calculated by applying each of the relevant market data to our existing pricing model for the SMIC Warrants.

The Early Termination Amount per Board Lot is calculated by multiplying the Early Termination Amount per Warrant with the Board Lot of the SMIC Warrants.

We confirm the Early Termination Amount is determined by us in good faith and in a commercially reasonable manner and represents the fair market value of the SMIC Warrants immediately prior to the early termination.

#### ***Settlement process***

The Early Termination Amount will be paid by transfer to the CCASS account through which the relevant SMIC Warrants are held on the Settlement Date (currently scheduled to be 10 February 2021). 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.

#### ***Contact details for investors’ enquiries***

Investors in the SMIC Warrants may obtain further information as follows:

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

**J.P. Morgan Structured Products B.V.**  
Hong Kong, 8 February 2021

### Schedule: Early Termination Amount for the SMIC Warrants

	Stock code of the SMIC Warrants	Type	Underlying share / Stock code	Exercise Price (HK\$)	Board Lot	Average Price (HK\$)	Early Termination Amount per Warrant (HK\$)	Early Termination Amount per Board Lot (HK\$)
1	14454	Put Warrants	Semiconductor Manufacturing International Corporation (981.HK)	18.18	5,000 Warrants	27.67	0.066734	333.670
2	16332	Call Warrants	Semiconductor Manufacturing International Corporation (981.HK)	48.84	25,000 Warrants	27.67	0.079124	1978.100
3	16465	Call Warrants	Semiconductor Manufacturing International Corporation (981.HK)	30.03	5,000 Warrants	27.67	0.131016	655.080
4	17375	Put Warrants	Semiconductor Manufacturing International Corporation (981.HK)	22.22	5,000 Warrants	27.67	0.237542	1187.710
5	20405	Call Warrants	Semiconductor Manufacturing International Corporation (981.HK)	36.83	25,000 Warrants	27.67	0.122444	3061.100
6	22985	Call Warrants	Semiconductor Manufacturing International Corporation (981.HK)	38.83	2,500 Warrants	27.67	0.034697	86.743
7	22990	Call Warrants	Semiconductor Manufacturing International Corporation (981.HK)	38.93	5,000 Warrants	27.67	0.112969	564.845
8	24739	Call Warrants	Semiconductor Manufacturing International Corporation (981.HK)	25.92	2,500 Warrants	27.67	0.130474	326.185
9	26884	Call Warrants	Semiconductor Manufacturing International Corporation (981.HK)	21.21	2,500 Warrants	27.67	0.226027	565.068
10	27011	Put Warrants	Semiconductor Manufacturing	15.15	5,000 Warrants	27.67	0.007947	39.735

	<b>Stock code of the SMIC Warrants</b>	<b>Type</b>	<b>Underlying share / Stock code</b>	<b>Exercise Price (HK\$)</b>	<b>Board Lot</b>	<b>Average Price (HK\$)</b>	<b>Early Termination Amount per Warrant (HK\$)</b>	<b>Early Termination Amount per Board Lot (HK\$)</b>
			International Corporation (981.HK)					
11	28346	Call Warrants	Semiconductor Manufacturing International Corporation (981.HK)	20.02	5,000 Warrants	27.67	0.776765	3883.825
12	29848	Call Warrants	Semiconductor Manufacturing International Corporation (981.HK)	25.90	5,000 Warrants	27.67	0.358252	1791.260