

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE**

IN THE MATTER OF:)
)
The Form A Statement Regarding the Acquisition of)
Control of Genworth Life Insurance Company, an)
indirect subsidiary of Genworth Financial, Inc., by)
Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide)
Group Co., Ltd.; China Oceanwide Holdings Group)
Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide)
Capital Investment Management Group Co., Ltd.;)
Wuhan CBD Development & Investment Co., Ltd.;)
Tohigh Holdings Development Limited; Tonghai)
International Group Investment Limited; Asia Pacific)
Global Capital Co., Ltd.; Asia-Pacific Universe)
Investment (Hong Kong) Limited; Asia Pacific)
Insurance Holdings Limited; Asia Pacific Global)
Capital Limited; and Asia Pacific Insurance USA)
Holdings LLC)

Docket No. 3346-2016

EXHIBIT LIST

- Exhibit 1 Statement Regarding the Acquisition of Control of Genworth Life Insurance Company, an indirect subsidiary of Genworth Financial, Inc., by Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide Capital Investment Management Group Co., Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh Holdings Development Limited; Tonghai International Group Investment Limited; Asia Pacific Global Capital Co., Ltd.; Asia-Pacific Universe Investment (Hong Kong) Limited; Asia Pacific Insurance Holdings Limited; Asia Pacific Global Capital Limited; and Asia Pacific Insurance USA Holdings LLC dated December 8, 2016;¹
- Exhibit 2 Order Appointing Stephen P. Lamb, Esquire as Hearing Officer dated November 20, 2018;
- Exhibit 3 *The News Journal* Affidavit of Publication dated November 20, 2018;
- Exhibit 4 *Delaware State News* Affidavit of Publication dated November 1, 2018;

¹ The Hearing Record includes the Form A statement and all amendments and exhibits thereto, some of which may be confidential. Public, non-confidential copies of the Form A statement and exhibits along with all amendments and supplements are available at <https://www.dropbox.com/sh/j3l1n19ehtg9we/AAAE1Vdc9a6UwMex016g5Nfpa?dl=0&lst=>.

- Exhibit 5 Affidavit of Joanne Caiola, Paralegal, Delaware Department of Insurance dated November 20, 2018;
- Exhibit 6 Testimony of David Lonchar, Director of the Bureau of Examination, Rehabilitation & Guaranty, Delaware Department of Insurance;
- Exhibit 7 Testimony of Thomas J. McInerney, President, Chief Executive Officer, and Director of Genworth;
- Exhibit 8 Testimony of Xiaoxia Zhao, Director and General Manager of Asia Pacific Global Capital Co., Ltd.; Director of Oceanwide Holdings Co., Ltd.; and Director of Wuhan CBD Development & Investment Co., Ltd.;
- Exhibit 9 Testimony of Harry D. Dunn, Vice President and Appointed Actuary for Genworth Life Insurance Company, Genworth Life and Annuity Insurance Company, and Genworth Life Insurance Company of New York;
- Exhibit 10 Testimony of Kelly L. Groh, Executive Vice President and Chief Financial Officer of Genworth Financial, Inc. and Senior Vice President of Genworth Life Insurance Company;
- Exhibit 11 Testimony of John G. Apostle, II, Chief Compliance Officer and Security Officer of Genworth Financial, Inc.;
- Exhibit 12 Order Admitting Fredric Marro, Esquire *Pro Hac Vice* dated November 15, 2018;
- Exhibit 13 Order Admitting Scott C. Riley, Esquire *Pro Hac Vice* dated November 15, 2018;
- Exhibit 14 Order Admitting Brian T. Frawley, Esquire *Pro Hac Vice* dated November 15, 2018;
- Exhibit 15 Order Admitting Marion Leydier, Esquire *Pro Hac Vice* dated November 15, 2018;
- Exhibit 16 Order Admitting Allison Tam, Esquire *Pro Hac Vice* dated November 20, 2018;
- Exhibit 17 Order Admitting Christopher J. St. Jeanos, Esq. *Pro Hac Vice* dated November 20, 2018; and
- Exhibit 18 Order Admitting James J. Black, III, Esquire *Pro Hac Vice* dated November 27, 2018.

EXHIBIT 1

Form A

**STATEMENT REGARDING THE ACQUISITION OF CONTROL OF OR
MERGER WITH A DOMESTIC INSURER**

GENWORTH LIFE INSURANCE COMPANY

Name of Domestic Insurer

Indirect Subsidiary of

GENWORTH FINANCIAL, INC.

BY

**Mr. Zhiqiang Lu
Tohigh Holdings Co., Ltd.
Oceanwide Group Co., Ltd.
China Oceanwide Holdings Group Co., Ltd.
Oceanwide Holdings Co., Ltd.
Oceanwide Capital Investment Management Group Co., Ltd.
Wuhan CBD Development & Investment Co., Ltd.
Asia Pacific Global Capital Co., Ltd.
Asia-Pacific Universe Investment (Hong Kong) Limited
Asia Pacific Insurance Holdings Limited
Asia Pacific Global Capital Limited
Asia Pacific Insurance USA Holdings Corporation
Names of Acquiring Party (Applicants)**

Filed with the Department of Insurance of Delaware
(State of domicile of insurer being acquired)

Dated: December 8, 2016

Correspondence concerning this Statement should be addressed to:

Marion Leydier
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004-2498
Tel: (212) 558-7925
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With a copy to:
Jack Schreppler
Marro and Associates, P.C.
1763 Marlton Pike East, Suite 200
Cherry Hill, New Jersey 08003
Tel: (856) 216-0100
Fax: (856) 216-0303
E-mail: jackde@westmontlaw.com

ITEM 1. INSURERS AND METHOD OF ACQUISITION

Name, Address and NAIC Company Code of the Domestic Insurer

Genworth Life Insurance Company (the "Domestic Insurer")
6604 West Broad Street
Richmond, VA 23230
NAIC Company Code: 72990

Method of Acquisition of Control

Structure

The Domestic Insurer is an indirect wholly-owned subsidiary of Genworth Financial, Inc. ("Genworth"), a publicly traded insurance holding company incorporated in the State of Delaware. Genworth's common stock trades on the New York Stock Exchange under the ticker symbol "GNW."

China Oceanwide Holdings Group Co., Ltd. ("China Oceanwide") is a privately held international financial holding group incorporated in China with well-established and diversified businesses, including operations in financial services, real estate, energy, culture and media, and other strategic investments. China Oceanwide was incorporated in 1988 and is indirectly owned by three individuals, comprising Mr. Zhiqiang Lu, who indirectly owns 77.14% of China Oceanwide, Ms. Qiongzi Huang, his wife, and Ms. Xiaoyun Lu, his daughter, who each indirectly owns 11.43% of China Oceanwide.

The direct acquiring person is Asia Pacific Global Capital USA Corporation ("Merger Sub"), a newly formed Delaware corporation that is an indirect wholly-owned subsidiary of Asia Pacific Global Capital Co., Ltd., ("Asia Pacific"). Asia Pacific is owned 40% by China Oceanwide, 35% by Oceanwide Capital Investment Management Group Co., Ltd. ("Oceanwide Capital") and 25% by Wuhan CBD Development & Investment Co., Ltd. ("Wuhan"). Wuhan, in turn, is a direct and majority owned subsidiary of Oceanwide Holdings Co., Ltd. ("Oceanwide Holdings"), a publicly traded company incorporated in China. Oceanwide Holdings' common stock trades on the Shenzhen Stock Exchange under the stock code "000046." Oceanwide Holdings is a direct and majority owned subsidiary of China Oceanwide. There are four newly formed holding companies ("New Holding Companies") between Asia Pacific and Merger Sub: Asia-Pacific Universe Investment (Hong Kong) Limited, Asia Pacific Insurance Holdings Limited, Asia Pacific Global Capital Limited and Asia Pacific Insurance USA Holdings Corporation. The New Holding Companies have no operations or financial statements. Please refer to the abbreviated organizational chart embedded in Item 2 of this Statement.

Subject to the prior approval of the Delaware Department of Insurance (the "Department") and the satisfaction or waiver of the other conditions (including other regulatory approvals) set forth in the Agreement and Plan of Merger, dated as of October 21, 2016, by and between Asia Pacific, Merger Sub and Genworth (the "Merger Agreement"), a copy of which is included as **Exhibit 1** to this Statement, China Oceanwide proposes to acquire control of the Domestic Insurer by acquiring 100% of the common stock of Genworth (the "Proposed Acquisition")

indirectly through Asia Pacific. The Proposed Acquisition will be effected through the merger ("Merger") of Merger Sub with and into Genworth, with Genworth surviving the Merger. The Merger will have the effects set forth in the applicable provisions of the Delaware General Corporation Law. After the Merger, Genworth will be an indirect wholly-owned subsidiary of Asia Pacific. The Proposed Acquisition will also include the indirect acquisition of River Lake Insurance Company VI, a Delaware special purpose financial captive insurance company and an indirect wholly-owned subsidiary of the Domestic Insurer.

In the Merger, at the Effective Time (as defined in the Merger Agreement), each share of Genworth's Class A common stock, par value \$0.001 per share (each, a "Genworth Share"), will be converted into the right to receive an amount in cash equal to \$5.43 (the "Per Share Cash Consideration"), subject to the terms and conditions set forth in the Merger Agreement. The total amount of consideration for the Proposed Acquisition (the "Aggregate Merger Consideration") is approximately \$2.7 billion in the aggregate.

Further, subject to the terms and conditions of the Merger Agreement, at the Effective Time, each Genworth stock option, stock appreciation right, restricted stock unit award (including each performance unit award ("PSU")), and each other right to acquire or receive shares of Genworth common stock or whose benefits are measured by the value of shares of Genworth common stock issued under certain existing Genworth equity awards plans (each of the foregoing, a "Genworth Award") that is outstanding prior thereto will be automatically converted into the right to receive an amount of cash based on the Per Share Merger Consideration, as more fully described in the Merger Agreement. Cash amounts in respect of (i) Genworth stock options and stock appreciation rights will be paid out as soon as reasonably practicable following the Effective Time; (ii) Genworth restricted stock unit awards will be subject to the same vesting schedule and other relevant terms as in effect immediately before the Effective Time; (iii) Genworth PSUs granted in 2015 will be paid out as soon as reasonably practicable following the Effective Time, at target performance, prorated based on the portion of the performance period elapsed through the Effective Time; (iv) Genworth PSUs granted in 2016 or later will be subject to the same vesting schedule and other relevant terms as in effect immediately before the Effective Time, with performance measured (x) at the greater of target and actual performance as of the Effective Time in the case of PSUs granted in 2016, but prior to the date of the Merger Agreement, and (y) at actual performance as of the time prescribed in the applicable award agreement in the case of PSUs granted on or after the date of the Merger Agreement; and (v) other Genworth Awards will be subject to the same vesting schedule and other relevant terms as in effect immediately before the Effective Time.

The closing of the Merger is subject to certain conditions set forth in the Merger Agreement, including (i) the adoption by Genworth stockholders of the Merger Agreement and the approval of the Merger transactions, (ii) obtaining certain approvals related to the Unstacking (as defined in the Merger Agreement),¹ (iii) the approval of the Proposed Acquisition by insurance

¹ The Unstacking contemplates a series of reinsurance and restructuring transactions intended to (i) repatriate existing business from Brookfield Life and Annuity Insurance Company Limited, Genworth's primary Bermuda domiciled reinsurance subsidiary, to its U.S. life insurance subsidiaries (which repatriation was completed in 2016), and (ii) separate Genworth's long-term care insurance business from its U.S. life insurance businesses, such that Genworth Life and Annuity Insurance Company ("GLAIC"), Genworth's Virginia domiciled life insurance company, which is

regulators in Delaware, New York, North Carolina, South Carolina, Vermont and Virginia and certain jurisdictions outside the United States, (iv) certain non-insurance regulatory approvals in the People's Republic of China, (v) the completion by the Committee on Foreign Investment in the United States of its review of the transaction, and (vi) the approval by the government-sponsored enterprises ("GSEs") (i.e., Fannie Mae and Freddie Mac) of the acquisition of control of an "approved mortgage insurer," as well as other customary closing conditions. In connection with the special meeting of Genworth stockholders to consider matters related to the Merger, Genworth will solicit, by means of a proxy statement to be filed with the U.S. Securities and Exchange Commission (the "SEC") after the date hereof, proxies from its stockholders to obtain the necessary stockholder approval for the Merger Agreement and the Merger transaction. A copy of the proxy statement will be provided supplementally following its filing with the SEC.

Pursuant to the terms of the Merger Agreement, from the date of execution of the Merger Agreement to the Effective Time, Genworth will not be permitted to pay any cash dividends to its stockholders.

Rationale for the Proposed Acquisition

In recent years, China Oceanwide has targeted expansion into the financial services industry, including the insurance industry. Historically, China Oceanwide has invested primarily in the real estate sector, domestically in China and internationally, including investments in commercial, residential and resort properties, as well as in energy development projects.

China Oceanwide is seeking to acquire additional insurance businesses in various insurance markets. In November 2015, China Oceanwide acquired a 51% equity stake in Asia Pacific Property & Casualty Insurance Co., Ltd. (previously Minan Property & Casualty Insurance Co., Ltd.), a leading nationwide Chinese property and casualty insurer domiciled in Shenzhen, China, which will soon operate as part of China Oceanwide's Asia Pacific Insurance Group business segment and for which China Oceanwide is in the process of increasing capitalization to \$1.5 billion (pending Chinese regulatory approval). In 2002, China Oceanwide also established Minsheng Insurance Brokerage Co., Ltd., a Beijing-domiciled indirect subsidiary and one of the first nationwide insurance brokers established in China. China Oceanwide is also currently awaiting regulatory approvals for establishing, in partnership with other privately owned Chinese companies, two additional insurance entities within its Asia Pacific Insurance Group business segment: Asia Pacific Reinsurance Co., Ltd., a property and casualty and life reinsurer that upon establishment will have approximately \$1.5 billion in registered capital and is expected to rank as the second largest reinsurance company in China in terms of capital, and Asia Pacific Life Insurance Co., Ltd., a life insurer that will sell policies primarily through online channels. China Oceanwide will initially own, indirectly, a 20% equity interest in each of these two insurance

wholly owned by the Domestic Insurer, will become directly wholly-owned by an intermediate holding company. In connection therewith, Genworth in consultation with China Oceanwide and applicable insurance regulators, may explore the feasibility of the transfer of GLAIC's 34.5% ownership interest in the Genworth Life Insurance Company of New York to the Domestic Insurer and, if approval from such regulators is received, to pursue such transfer. The proposed transactions contemplated by the Unstacking will require regulatory approval from Delaware, Virginia and Bermuda, and may require other third-party consents.

entities upon their incorporation, with the balance of the equity interest in each entity owned by four other privately owned Chinese entities in equal proportions. China Oceanwide is committed to building its Asia Pacific Insurance Group business segment into a globally diversified insurance operation. China Oceanwide views a potential acquisition of Genworth as a critical element in advancing this objective.

With the Proposed Acquisition, China Oceanwide recognizes the potential of the underserved U.S. long-term care ("LTC") insurance market. While it appreciates the significant challenges faced by U.S. LTC writers and concerns about the long-term viability of LTC products, China Oceanwide expects demand for LTC products to continue and grow amidst continued market evolution, due to the aging U.S. population and increasing costs of care.

The Proposed Acquisition will also provide China Oceanwide the opportunity in future years to leverage Genworth's knowledge of the LTC insurance market to export this line of business to China, while continuing to grow and support the acquired businesses. In August 2014, the State Council of China, the Chinese cabinet, promulgated *Certain Guidelines on Accelerating the Development of a Modern Insurance Industry* (popularly known as the "New Ten Guidelines"), which declared that insurers are encouraged to provide health insurance and LTC insurance products. China Oceanwide believes that, as the leading provider in the U.S. LTC market, Genworth can contribute its experience in product design, client service and risk management to China Oceanwide's efforts in penetrating the health and LTC insurance markets in China. Genworth's LTC expertise, product development and innovation capabilities and market leadership position represent some of China Oceanwide's key motivations for this acquisition.

In addition, China Oceanwide plans to explore opportunities to enable Genworth to resume sales of Genworth's traditional life and annuity products (as described further in Item 5 below), with additional capital contributed by China Oceanwide as China Oceanwide deems appropriate. Genworth's strategy under China Oceanwide's ownership envisions an increased presence in the traditional life and annuity markets, subject to the ability to achieve satisfactory returns.

China Oceanwide expects mortgage origination activity in Genworth's current markets to increase amidst improving global economic conditions. The Proposed Acquisition will provide China Oceanwide with the opportunity to invest in global mortgage insurance capabilities and infrastructure in the United States, Canada and Australia. China Oceanwide expects to leverage the expertise of Genworth's management team in each of these markets to evaluate opportunities to sell these products in other developing international markets and to further support China Oceanwide's global insurance investment strategy.

China Oceanwide strongly believes that building and diversifying Genworth's U.S. and international operations and facilitating expansion into new markets will improve Genworth's viability and competitive position. Moreover, the China Oceanwide group is a global diversified financial holding company with, as of December 31, 2015, approximately \$30.71 billion of total assets. As noted below, in addition to the Aggregate Merger Consideration of approximately \$2.7 billion, China Oceanwide, Oceanwide Capital and Wuhan have agreed to contribute (i) \$525,000,000 in cash to facilitate the completion of the Unstacking, to be paid on or prior to the completion of the Unstacking, and (iii) \$600,000,000 in cash to be used to retire Genworth's outstanding 2018 debt obligations, to be paid on or prior to the maturity of such debt obligations.

China Oceanwide anticipates Genworth will continue to operate independently following the Merger with China Oceanwide's oversight occurring through membership on Genworth's Board of Directors and periodic reporting. Over time, China Oceanwide expects to leverage the knowledge of Genworth's management team to grow its other insurance businesses. China Oceanwide does not expect Genworth to initially have a significant relationship with any of its other businesses. However, China Oceanwide will be in the process of building a global advisory council consisting of high level insurance executives to advise on its insurance business, and as a first step will be exploring opportunities over time to drive incremental value through establishing potential relationships among all of its existing insurance businesses.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

1. Applicants

(a) The names and principal business addresses of the applicants (the "Acquiring Parties") seeking to acquire control over the Domestic Insurer are as follows:

Mr. Zhiqiang Lu
23rd Floor, Building C, Minsheng Financial Center, 28 Jianguomennei Avenue, Dongcheng District, Beijing, 100005, People's Republic of China

Tohigh Holdings Co., Ltd.
Room 3C, Commercial Floor, Building 1, GuangCai Int'l Apartment, 18 Gongrentiyuchang West Road Chaoyang District, Beijing, 110020, People's Republic of China

Oceanwide Group Co., Ltd.
Oceanwide Development Building, 529 Yuanfei Road, Kuiwen District, Weifang, Shandong, 261041, People's Republic of China

China Oceanwide Holdings Group Co., Ltd. ("China Oceanwide")
23rd Floor, Tower C, Minsheng Financial Center
28 Jianguomennei Avenue, Beijing, 100005, People's Republic of China

Oceanwide Holdings Co., Ltd. ("Oceanwide Holdings")
22nd Floor, Tower C, Minsheng Financial Center
28 Jianguomennei Avenue, Beijing, 100005, People's Republic of China

Oceanwide Capital Investment Management Group Co., Ltd. ("Oceanwide Capital")
23rd Floor, Building C, Minsheng Financial Center, 28 Jianguomennei Avenue, Dongcheng District, Beijing, 100005, People's Republic of China

Wuhan CBD Development & Investment Co., Ltd. ("Wuhan")
12th Floor, Office Tower of Oceanwide City Square, 198 Yuncai Road, Jiangnan District, Wuhan, 430000, People's Republic of China

Asia Pacific Global Capital Co., Ltd. ("Asia Pacific")

22nd Floor, Building C, Minsheng Financial Center, 28 Jianguomennei Avenue, Dongcheng District, Beijing, 100005, People's Republic of China

Asia-Pacific Universe Investment (Hong Kong) Limited
66/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong

Asia Pacific Insurance Holdings Limited
Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

Asia Pacific Global Capital Limited
Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

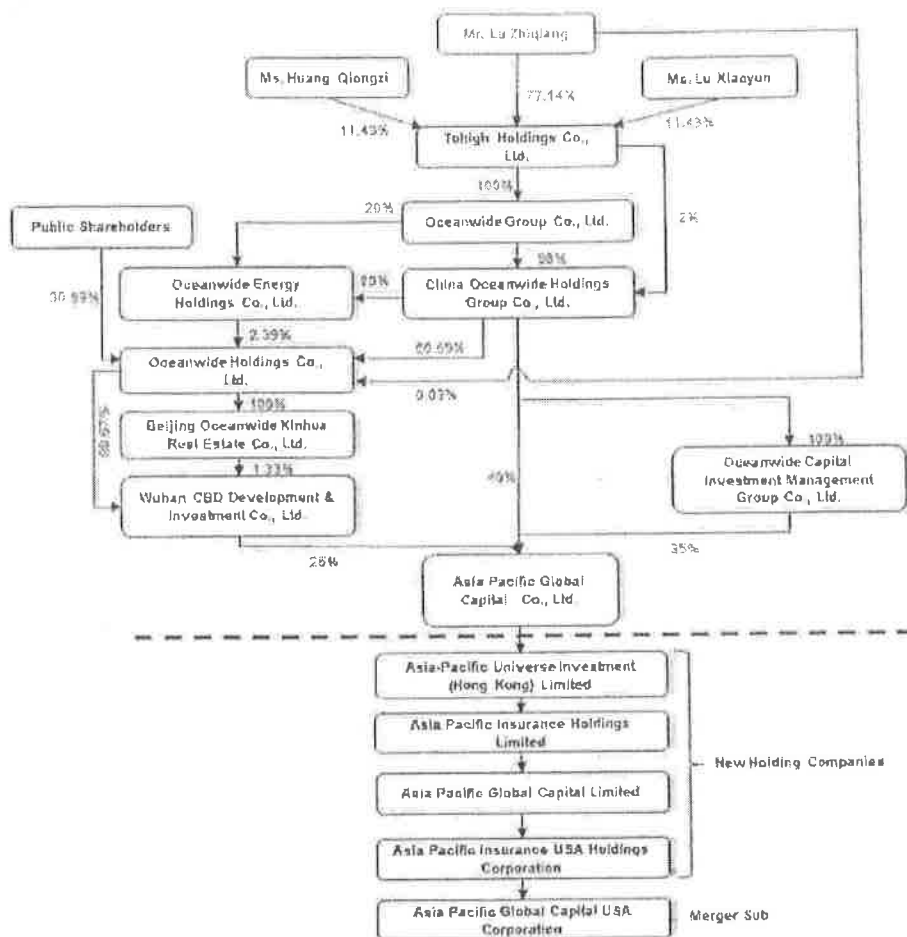
Asia Pacific Insurance USA Holdings Corporation
160 Greentree Drive, Suite 101, Dover, DE 19904

2. Applicants' Business

The following presents the principal business activities of the Acquiring Parties (other than the Acquiring Parties which are holding companies with no operations):

China Oceanwide

Incorporated in Beijing, China in 1988, China Oceanwide is the holding company for the Oceanwide group of companies. It is 100% indirectly owned by Mr. Zhiqiang Lu and his immediate family through two Chinese entities: Tohigh Holdings Co., Ltd. ("Tohigh Holdings"), which was incorporated in Beijing in 1991, and Oceanwide Group Co., Ltd. ("Oceanwide Group"), which was incorporated in Weifang, Shandong in 1991. Oceanwide Group and Tohigh Holdings hold 98% and 2%, respectively, of the equity interest in China Oceanwide. Oceanwide Group, in turn, is a direct, wholly-owned subsidiary of Tohigh Holdings. Tohigh Holdings is 100% owned by Mr. Lu Zhiqiang and his family, as follows: Mr. Lu (77.14%), Ms. Qiongzi Huang, his wife (11.43%), and Ms. Xiaoyun Lu, his daughter (11.43%). Please see below an illustrative and simplified organizational chart which includes the Acquiring Parties.



Although Oceanwide Group and Tohigh Holdings do have limited business operations of their own, including holding certain real estate assets, their main asset consists of their shareholdings in China Oceanwide. Similarly, Oceanwide Capital, a direct, wholly-owned subsidiary of China Oceanwide, has no significant operations beyond investment management. Specifically, Oceanwide Capital operates as the holding company of eight wholly-owned investment management companies and also holds 60% of Shenzhen Fanhai Sanjiang Electronics Co., Ltd., which is in the business of manufacturing switches. For purposes of management and control, China Oceanwide operates as the “ultimate” parent and holding company for all of its direct and indirect subsidiaries. None of Oceanwide Group, Tohigh Holdings or Oceanwide Capital is involved in the management and operations of China Oceanwide’s direct and indirect subsidiaries, including its indirect insurance and insurance brokerage subsidiaries.

As of December 31, 2015, China Oceanwide, on a consolidated basis, had total assets of approximately RMB199.44 billion (or \$30.71 billion converted at the exchange rate of

RMB1=\$0.154, the “Exchange Rate”²), annual revenues of over RMB14.10 billion (\$2.17 billion), and more than 12,000 employees globally. China Oceanwide has substantial ownership in two Chinese public companies (Oceanwide Holdings and Minsheng Holdings Co., Ltd.) and one Hong Kong listed entity (China Oceanwide Holdings Limited), and operates through branches or subsidiaries in 14 Chinese cities, including Beijing, Shanghai and Shenzhen, and in Hong Kong, the United States, Australia and Indonesia. As noted above, China Oceanwide actively participates, through its subsidiaries, in the Chinese insurance market.

As noted above, China Oceanwide is a private enterprise that is ultimately 100% owned by Mr. Lu and his immediate family. The Chinese government does not control, or, except for *de minimis* shareholdings³ in publicly listed entities, own an interest in, China Oceanwide or any of the other Acquiring Parties. Mr. Lu and his immediate family members are not government officials. Mr. Lu is a member of the Standing Committee of the Chinese People’s Political Consultative Conference (“CPPCC”), which is an advisory body to the Chinese government designed to provide feedback and suggestions to the Chinese government on its policies. Mr. Lu’s advisory role on CPPCC is largely honorific and ceremonial, rather than a legislative or executive policy-making role within the Chinese government hierarchy. China Oceanwide and its subsidiaries are not entitled to and do not receive any government subsidies or sovereign immunity.

Oceanwide Holdings

Incorporated in Beijing in 1989, Oceanwide Holdings is a publicly traded company listed on the Shenzhen Stock Exchange in Shenzhen, China (000046: Shenzhen), with approximately RMB118.36 billion (\$18.23 billion) in total assets, RMB12.67 billion (\$1.95 billion) in total revenues, and 10,000 employees (each as of December 31, 2015).

As of September 30, 2016, China Oceanwide held 66.59% of the outstanding shares of Oceanwide Holdings, Oceanwide Energy Holdings Co., Ltd., an affiliate of China Oceanwide, held another 2.39%, and Mr. Lu held 0.03%. The remaining 30.99% of the shares of Oceanwide Holdings are owned by public shareholders. To the best of the Acquiring Parties’ knowledge,

² All conversions hereinafter from RMB to U.S. dollar amounts are based on the Exchange Rate in effect as of December 31, 2015.

³ As discussed herein, Oceanwide Holdings, which indirectly owns 25% of Asia Pacific, is a public company with its shares listed and traded on the Shenzhen Stock Exchange. As such, it is not possible to identify every public shareholder or holder of a beneficial interest in the publicly traded shares or to preclude the acquisition of such shares in the public markets. Other than as set forth in the following sentence, China Oceanwide is not aware of any Chinese government entity owning any shares in Oceanwide Holdings as of September 30, 2016. Based on “top shareholder” lists from China Securities Depository & Clearing Co. Ltd., an authorized PRC securities registration and clearance institution, identifying shareholders owning in excess of 1.18% (as of September 30, 2016) and 0.29% (as of December 31, 2015) Oceanwide Holdings has reported that (i) as of September 30, 2016, China Securities Finance Co. Ltd. and China Galaxy Securities Co., Ltd., both identified as being state-owned, owned 2.66% and 1.28% of Oceanwide Holdings, respectively; and (ii) in addition, as of December 31, 2015, Central Huijin Asset Management Co., Ltd., another state-owned entity, owned 1.13% of Oceanwide Holdings. All shares owned by these entities are part of the public float of Oceanwide Holdings, and do not entail any rights other than those given to all of Oceanwide Holdings’ public shares.

based on information received from the China Securities Depository & Clearing Co. Ltd., an authorized PRC securities registration and clearance institution, no single public shareholder owns 10% or more of the outstanding shares of Oceanwide Holdings.

Oceanwide Holdings is principally engaged in the development and sales of properties in China, and more recently in other parts of the world, including residential and commercial properties. In recent years, Oceanwide Holdings has sought to diversify its business platforms and to stabilize returns by expanding into financial services businesses, including insurance, securities brokerage, investment banking, asset management, proprietary trading and futures. Oceanwide Holdings also indirectly owns approximately 71% (as of June 30, 2016) of the issued share capital of China Oceanwide Holdings Limited, a publicly traded company listed on the Hong Kong Stock Exchange (000715: Hong Kong).

Wuhan

Incorporated in 2002 in Wuhan, China, Wuhan is a direct, wholly-owned subsidiary of Oceanwide Holdings and holds substantially all of Oceanwide Holdings' domestic real estate operations and its expanding insurance operations. Wuhan is 98.67% owned by Oceanwide Holdings and 1.33% owned by Beijing Oceanwide Xinhua Real Estate Co., Ltd., which in turn is a direct wholly-owned subsidiary of Oceanwide Holdings.

Wuhan has approximately RMB76.89 billion (\$11.84 billion) in total assets, RMB9.00 billion (\$1.39 billion) in total revenues, and 1,359 employees (excluding employees of its subsidiaries), as of December 31, 2015.

Wuhan is the primary subsidiary through which China Oceanwide and Oceanwide Holdings currently participate in the Chinese insurance market.

Asia Pacific

Incorporated in July 2016, Asia Pacific was established to hold China Oceanwide's investment in Genworth and currently has no operations. Asia Pacific currently has RMB20 billion (\$3.08 billion) in registered capital and, as described above, is directly owned 40% by China Oceanwide, 25% by Wuhan and 35% by Oceanwide Capital.

New Holding Companies and the Merger Sub

Asia-Pacific Universe Investment (Hong Kong) Limited was incorporated in Hong Kong in September 2016 and is a direct and wholly-owned subsidiary of Asia Pacific. Asia Pacific Insurance Holdings Limited was incorporated in Bermuda in June 2016 and is a direct and wholly-owned subsidiary of Asia-Pacific Universe Investment (Hong Kong) Limited. Asia Pacific Global Capital Limited was incorporated in Bermuda in September 2016 and is a direct and wholly-owned subsidiary of Asia Pacific Insurance Holdings Limited. Asia Pacific Insurance USA Holdings Corporation was incorporated in Delaware in September 2016 and is a direct and wholly-owned subsidiary of Asia Pacific Global Capital Limited. Merger Sub was incorporated in Delaware in September 2016 and is a direct and wholly-owned subsidiary of Asia Pacific Insurance USA Holdings Corporation. The New Holding Companies and Merger

Sub were established to hold China Oceanwide's investment in Genworth and currently have no operations.

Individual Shareholders

As noted above, Mr. Zhiqiang Lu, indirectly owns 77.14% of China Oceanwide, and Ms. Qiongzi Huang, his wife, and Ms. Xiaoyun Lu, his daughter, each indirectly owns 11.43% of China Oceanwide. A disclaimer of affiliation and control will be filed with the Department pursuant to Section 5004(k) of the Delaware Insurance Code with respect to Ms. Huang and Ms. Lu, setting forth contractual and other limitations regarding their ability to exercise control of the Domestic Insurer.

3. Organizational Chart and Affiliate Information

A pre-transaction organizational chart clearly presenting the identities of and the interrelationships among the Acquiring Parties and their affiliates is attached as **Exhibit 2(a)** to this Statement. Such chart indicates the percentage of voting securities of each such person that is owned or controlled by the Acquiring Parties or by any other such person. Unless otherwise indicated, control of all persons is maintained by the ownership or control of voting securities. Such chart indicates the jurisdiction of domicile of each person specified therein. No court proceedings involving a reorganization or liquidation are pending with respect to any such persons identified in **Exhibit 2(a)**.

An abbreviated post-transaction organizational chart of the Acquiring Parties and certain other affiliates is attached as **Exhibit 2(b)** to this Statement.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANTS

1. Directors' and Executive Officers' Names and Business Addresses

The names of each Acquiring Party's directors and executive officers are set forth in **Exhibit 3** to this Statement. NAIC Biographical Affidavits for each such individual are being provided to the Department in a supplemental binder marked "Confidential," and the business address of each such individual is included in his or her biographical affidavit.

As noted in Item 2 above, the individual shareholders who indirectly own 10% or more of China Oceanwide's voting securities (the "Individual Shareholders") are Mr. Zhiqiang Lu, who indirectly owns 77.14% of China Oceanwide, Ms. Qiongzi Huang, his wife, and Ms. Xiaoyun Lu, his daughter, who each indirectly owns 11.43% of China Oceanwide. NAIC Biographical Affidavits for these individuals are likewise being provided to the Department in a supplemental binder marked "Confidential."

The Acquiring Parties have submitted the NAIC Biographical Affidavits of all individuals referenced above to a third-party background check service provider.

The Acquiring Parties respectfully request that (i) the Biographical Affidavits provided pursuant to this Item 3 be afforded confidential treatment, (ii) the Acquiring Parties be notified in advance

of any proposed disclosure by the Department and (iii) the Acquiring Parties be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure.

2. Present Principal Business Activity, Occupation or Employment

The present principal business activity, occupation or employment of the directors and executive officers of the Acquiring Parties named in **Exhibit 3** and of the Individual Shareholders, including positions and offices held and the name, principal business and address of any corporation or other organization in which such activity, occupation or employment is carried on, is included in their biographical affidavits.

3. Material Occupations, Positions, Offices or Employment

The material occupations, positions, offices or employments of the directors and executive officers of the Acquiring Parties named in **Exhibit 3** and of the Individual Shareholders during the last five years, including the starting and ending dates of each and the name, principal business and address of any business corporation or other organization in which each such occupation, position, office or employment was carried on are included in the biographical affidavits included in **Exhibit 3**. Except as set forth in **Exhibit 3**, no such occupation, position, office or employment required licensing by or registration with any federal, state or municipal governmental agency. The current status of any such licensing or registration, and an explanation of any surrender, revocation, suspension or disciplinary proceedings in connection therewith, is stated in the biographical affidavits.

4. Criminal Proceedings

To the best knowledge, information and belief of each of the Acquiring Parties, except as noted in **Exhibit 3**, no person listed in **Exhibit 3** and no Individual Shareholder has been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years.

ITEM 4. NATURE, SOURCE AND AMOUNT OF CONSIDERATION

1. Nature, Source and Amount of Funds or Other Consideration

On October 23, 2016, the date of the public announcement of the Proposed Acquisition, the Aggregate Merger Consideration was valued at approximately \$2.7 billion. The source of funds for the purchase price will be 100% cash held by China Oceanwide and its controlled subsidiaries. The Acquiring Parties have sufficient funds to complete the Merger without any borrowing. As stated in its audited consolidated financial statements, as of December 31, 2015, China Oceanwide has RMB38.43 billion (\$5.92 billion) of cash and cash equivalents and RMB28.78 billion (\$4.43 billion) of available-for-sale financial assets (refer to Exhibit 6). Pursuant to the Merger Agreement, each of China Oceanwide, Oceanwide Capital and Wuhan has executed an equity commitment letter to provide Asia Pacific in immediately available funds in U.S. dollars, its pro rata share (40% for China Oceanwide, 35% for Oceanwide Capital and 25% for Wuhan) of an aggregate amount of \$3,831,362,686.42, representing (i) the Aggregate Merger Consideration of approximately \$2.7 billion, to be paid at closing, (ii) \$525,000,000 in cash to facilitate the completion of the Unstacking, to be paid on or prior to the completion of the

Unstacking, and (iii) \$600,000,000 in cash to be used to retire Genworth's outstanding 2018 debt obligations, to be paid on or prior to the maturity of such debt obligations.

The Merger is not subject to any financing condition or contingency, and the Acquiring Parties have no current plans to incur any material debt prior to the closing of the Proposed Acquisition.

The Acquiring Parties expect to be able to receive all necessary Chinese government approvals to convert their RMB funds into U.S. dollars and to remit such funds to the United States to pay the purchase price. Over the past few years, the Chinese foreign exchange regulator has established clear operating procedures for approving foreign exchange payments in relation to legitimate outbound investments by Chinese companies. In their prior outbound investments in the United States, Indonesia and other jurisdictions, certain of the Acquiring Parties have received required approvals for foreign exchange payments on a timely basis.

2. Criteria Used in Determining the Nature and Amount of the Consideration

The nature and amount of consideration to be paid for the Genworth Shares were determined by arm's-length negotiations between unaffiliated parties assisted by independent advisors.

The Board of Directors of Genworth received the opinions of its financial advisors, Goldman, Sachs & Co. and Lazard Frères & Co. LLC, that, as of October 21, 2016, and based upon and subject to the various assumptions, procedures, matters, qualifications and limitations on the scope of the review as set forth in such opinions, the consideration to be paid by the Acquiring Parties pursuant to the Merger Agreement was fair from a financial point of view to the stockholders of Genworth.

ITEM 5. FUTURE PLANS OF INSURER

Other than as described in this Statement, the Acquiring Parties do not have, nor do the Acquiring Parties contemplate, any plans or proposals to cause the Domestic Insurer to declare or pay any extraordinary dividend, to liquidate the Domestic Insurer, to sell any of its assets, to merge or consolidate the Domestic Insurer with any person or persons, to make any other material change in its business operations or corporate structure or management, or to cause the Domestic Insurer to enter into material agreements, arrangements, or transactions of any kind with any party.

More broadly, except as described below, the Acquiring Parties intend to operate Genworth and its insurer subsidiaries, including the Domestic Insurer, substantially as they are currently operated. The Acquiring Parties intend that from and after the Merger, the Domestic Insurer will have the same experienced senior management team as it does currently. The Domestic Insurer will maintain its licenses and continue to write business in the states where it is currently licensed and writes business (including the state of Delaware), and it is expected that the Merger will not have any adverse impact on the Domestic Insurer's policyholders.

Existing Business Lines

Outside of potentially resuming sales of Genworth's traditional life and annuity products (as described below), China Oceanwide does not plan to make any material changes in the business or management of any of Genworth's insurers, including the Domestic Insurer.

LTC Insurance

With regard to Genworth's LTC business, China Oceanwide is committed to continuing Genworth's current plans to resolve the issues inherent in the current book of business. Genworth will continue to focus on its key operational priorities, most notably executing its multi-year LTC rate action plan, which is essential to stabilizing the financial position of the legacy LTC business. China Oceanwide has no current intention or future obligation to contribute additional capital to support Genworth's legacy LTC business. China Oceanwide believes that demographic and other macroeconomic factors make a healthy LTC market a longer term priority for all stakeholders involved and Genworth is best positioned, given its wealth of experience and market leadership position, to both drive the creation of that revitalized marketplace and continue to be an industry leader in providing solutions for the seniors market.

China Oceanwide understands that other carriers have exited the LTC insurance market in recent years, as the market continues to face numerous challenges – older blocks of business continue to weigh on returns due to capital requirements and in some cases inadequate pricing assumptions (mortality/morbidity). However, despite these challenges, China Oceanwide expects that the need for LTC insurance will expand in the United States due to the aging population and increasing cost of healthcare. China Oceanwide believes the current LTC operating environment and market dynamics provide an attractive opportunity to acquire an industry leading insurer that is well positioned to capitalize on future LTC market growth. Under its ownership, China Oceanwide expects Genworth to benefit from the absence of pressure on quarterly earnings from public market investors.

Life and Annuity Insurance

With regard to Genworth's legacy life and annuity business, China Oceanwide recognizes the challenges currently faced by Genworth and its decision to discontinue writing new business. However, China Oceanwide sees value in being a provider of life and annuity products in the U.S. and would like to explore opportunities to restart sales of these products to the extent the Genworth insurers are able to achieve ratings improvements over time. China Oceanwide also recognizes the value of being able to offer more traditional life insurance products with LTC features in order to provide Genworth customers with the broadest range of products to address their LTC needs. In the interim, China Oceanwide intends to operate Genworth's life insurers at prudent levels of capitalization for entities of their type and may explore reinsurance or other transactions, if efficient, to release value from this business line and contribute to improved cash flow generation across the Genworth group of companies as appropriate, subject to applicable regulatory requirements.

China Oceanwide intends to strengthen the capital position of Genworth and plans to monitor the life and annuity market and perform feasibility studies throughout this process in order to determine the appropriate time to resume sales of these products.

Mortgage Insurance

With regard to Genworth's mortgage insurance business generally, China Oceanwide places substantial value on the ongoing operations of these business units, both in the United States and internationally. China Oceanwide intends to operate the businesses in a manner consistent with Genworth's current strategy and prudently within the regulatory framework established in each jurisdiction, including GSE requirements in the United States. Furthermore, China Oceanwide intends to pursue an improvement in the financial strength ratings of the U.S. mortgage insurance business to maintain competitiveness with Genworth's peers. China Oceanwide hopes the U.S. mortgage insurance business returns to an investment grade financial strength rating, to take advantage of new market growth opportunities as they arise.

Dividends/Management Fees

China Oceanwide does not intend to take any dividends from the holding company or charge any management or other fees to any of the Genworth companies for the foreseeable future. China Oceanwide would seek to continue Genworth's current overall strategy with respect to payment of dividends from the various Genworth insurers (including the Domestic Insurer) to the holding company, subject to and in compliance with applicable regulatory requirements.

Debt Obligations

China Oceanwide will work with Genworth's management to develop an operational strategy under its ownership, which will enable Genworth to service its debt obligations maturing in 2018 through 2021 in the most efficient manner possible, including whether to retire or refinance such debt obligations. As noted above, China Oceanwide, Oceanwide Capital and Wuhan, collectively, have agreed to contribute \$600,000,000 in the aggregate to be used to retire Genworth's outstanding 2018 debt obligations.

Investment Portfolio

China Oceanwide intends that Genworth's investment portfolio, including the portfolio of the Domestic Insurer, will continue to be managed in a manner consistent with the current practices and within established risk management guidelines.

Management and Employees

China Oceanwide views the management and employees of Genworth as a critical component of its interest in the Proposed Acquisition and it places significant value on the ability to retain Genworth's strong leadership team. China Oceanwide's management philosophy is to allow local market talent to continue operating its respective business with appropriate oversight from China Oceanwide through board membership at the holding company level. As noted above,

China Oceanwide is in the process of building a global advisory council consisting of high level insurance executives to advise its insurance group.

While a final determination has yet to be made, it is currently expected that Genworth's Board of Directors following the Merger will consist of between 9 and 11 members, comprised of at least four members affiliated with China Oceanwide, four independent U.S. directors, which may include independent directors currently serving on Genworth's Board, and Genworth's current Chief Executive Officer, Thomas McInerney. China Oceanwide will supplement this Statement accordingly to provide any required information once such individuals have been identified.

China Oceanwide does not intend to relocate any employees or facilities of Genworth or the Domestic Insurer.

Based on the information contained in the biographical affidavits of the individuals listed in Exhibit 3, the Acquiring Parties respectfully submit that the competence, experience and integrity of those persons who would oversee and direct the operations of Genworth as the ultimate parent of the Domestic Insurer are such that it would not be contrary to, and would be in the best interest of, the policyholders of the Domestic Insurer to permit the Merger.

Financial Projections

Three-year financial projections for the Domestic Insurer are included in **Exhibit 4**. Such projections are being submitted in a supplemental binder marked "Confidential." The Acquiring Parties request that (i) such projections be afforded confidential treatment, (ii) the Acquiring Parties be notified in advance of any proposed disclosure by the Department, and (iii) the Acquiring Parties be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure. Exception from disclosure afforded under applicable law and all relevant protections thereunder is hereby claimed, as such projections constitute, among other things, trade secrets and include information that, if released, would cause substantial injury to the competitive position of the Acquiring Parties and the Domestic Insurer.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED.

The Domestic Insurer currently has 4,561,258 issued and outstanding shares of authorized common stock (and 300,000 shares of preferred stock) issued and outstanding. Through the Merger, the Acquiring Parties will indirectly acquire control of all of the issued and outstanding authorized common stock of the Domestic Insurer by acquiring all of the outstanding Genworth Shares. Pursuant to the terms of the Merger Agreement, China Oceanwide proposes to merge its indirect, majority owned subsidiary Merger Sub with and into Genworth, with Merger Sub's separate corporate existence ceasing as a result of the Merger and Genworth surviving. At the Effective Time, each of the outstanding Genworth Shares, which numbered approximately 498,363,294 shares in the aggregate (as of the close of business on October 18, 2016), other than

Excluded Shares (if any, as defined in the Merger Agreement),⁴ would be converted automatically through no act of any shareholder into the right to receive the Per Share Cash Consideration. Subject to obtaining all required regulatory approvals (including the approval of the Department) and the requisite approval by stockholders of Genworth and other conditions set forth in the Merger Agreement, at the Effective Time, all of the Genworth Shares will cease to be outstanding, will be cancelled and will cease to exist, and any Excluded Shares will cease to be outstanding, be cancelled without payment of any consideration and will cease to exist, subject to any appraisal rights the holders thereof may have under the Merger Agreement. At the Effective Time, each share of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time will be converted into one share of common stock of Genworth. The terms of the offer, request, invitation, agreement, or acquisition, and a statement of the method by which the fairness of the proposal was determined are described in Items 1 and 4.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

Other than as contemplated by the Merger Agreement, neither the Acquiring Parties, nor their affiliates nor any person listed in Item 3 or the Individual Shareholders beneficially owns or has a right to acquire beneficial ownership of any voting securities, or securities which may be converted into voting securities, of Genworth or the Domestic Insurer.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

Other than as described in this Statement, neither the Acquiring Parties, nor their affiliates nor any person listed in Item 3 or the Individual Shareholders is involved in any contracts, arrangements or understandings with respect to the voting securities of Genworth or the Domestic Insurer, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

There have been no purchases of any voting securities of Genworth or the Domestic Insurer by the Acquiring Parties or, to the Acquiring Parties' knowledge, by their affiliates or any person listed in Item 3, during the twelve (12) calendar months preceding the filing of this Statement.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

To the best of the Acquiring Parties' knowledge, there have been no recommendations to purchase any voting security of Genworth or the Domestic Insurer made by the Acquiring Parties, their affiliates or any person listed in Item 3 of this Statement, or by anyone based on

⁴ Excluded Shares consist of (i) Genworth Shares owned by China Oceanwide, Genworth or any of their respective direct or indirect wholly-owned subsidiaries, and (ii) any Genworth Shares owned by qualifying dissenting shareholders.

interviews or at the suggestion of the Acquiring Parties, their affiliates or any person listed in Item 3 during the 12 calendar months preceding the filing of this Statement.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Other than as described in this Item 11, no agreement, contract or understanding has been made by the Acquiring Parties or their affiliates with any broker-dealer as to solicitation of voting securities of Genworth or the Domestic Insurer and no amount of fees, commissions or other compensation has been paid by the Acquiring Parties or their affiliates to broker-dealers with regard to solicitation of voting securities of Genworth or the Domestic Insurer.

Arrangements may be made with brokers, banks, nominees and custodians to forward solicitation materials to the beneficial owners of the Genworth Shares held of record by these persons, and Genworth may reimburse banks, brokerage firms, other nominees or their respective agents for their expenses in forwarding proxy materials to beneficial owners of the Genworth Shares. In addition, Genworth has engaged Georgeson LLC to act as its proxy solicitor and to assist it in the solicitation of proxies for the special meeting of Genworth stockholders. Genworth has agreed to pay such proxy solicitor approximately \$25,000 plus reasonable out-of-pocket expenses for such services and also will indemnify it against certain claims, costs, damages, liabilities, judgments and expenses.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

1. Exhibits

The following Exhibits are attached to this Statement:

EXHIBIT NUMBER	TITLE
1	Merger Agreement
2(a)	Organizational Chart Prior to the Transaction
2(b)	Organizational Chart Following the Transaction
3	List of Directors and Executive Officers of the Acquiring Parties and NAIC Biographical Affidavits for each such Individual and for the Individual Shareholders
4	Three-Year Financial Projections for the Domestic Insurer
5	Statutory Financial Statements of the Domestic Insurer for the fiscal years ended December 31, 2015, 2014 and 2013
6	Audited or Unaudited Consolidated Financial Statements of each of the Acquiring Parties (other than Asia Pacific and the New Holding Companies) for the fiscal years ended December 31, 2015, 2014, 2013, 2012 and 2011
7	Unaudited Consolidated Financial Statements of each of the Acquiring Parties (other than Asia Pacific and the New Holding Companies) for the interim period ended June 30, 2016
8	Annual Reports to the Stockholders of Genworth for the Last Two Years
9	Annual Reports of China Oceanwide for the Last Two Years

2. Financial Statements

Three-year financial projections for the Domestic Insurer are attached as Exhibit 4 to this Statement.

Statutory financial statements of the Domestic Insurer for the fiscal years ended December 31, 2015, 2014 and 2013 are attached as Exhibit 5 to this Statement.

Attached as Exhibit 6 to this Statement are:

(i) audited consolidated financial statements prepared in RMB and in accordance with Chinese GAAP and translated into English and converted into U.S. dollars for the fiscal years ended December 31, 2015, 2014, 2013, 2012, and 2011 for each of:

China Oceanwide Holdings Group Co., Ltd.;
Oceanwide Group Co., Ltd.;
Oceanwide Holdings Co., Ltd.; and
Wuhan CBD Development & Investment Co., Ltd.

(ii) unaudited summary financial statements prepared in RMB and in accordance with Chinese GAAP and translated into English and converted into U.S. dollars for the fiscal years ended December 31, 2015, 2014, 2013, 2012, and 2011 for Tohigh Holdings Co., Ltd.⁵

(iii) unaudited summary financial statements prepared in RMB and in accordance with Chinese GAAP and translated into English and converted into U.S. dollars for the fiscal year ended December 31, 2015 for Oceanwide Capital Investment Management Group Co., Ltd.⁶

(iv) unaudited statement of net worth as of June 30, 2016 (bilingual and in both RMB and USD, compiled and certified by a CPA) and unaudited income statement (bilingual and in both RMB and USD), dated from September 6, 2015 to September 6, 2016 for Mr. Zhiqiang Lu. Such statements are being submitted in a supplemental binder marked "Confidential." The Acquiring Parties request that (i) such statements be afforded confidential treatment, (ii) the Acquiring Parties be notified in advance of any proposed disclosure by the Department and (iii) the Acquiring Parties be given a reasonable opportunity to seek a protective order or take other action to prevent or limit any such disclosure. Exception from disclosure afforded under applicable law and all relevant protections thereunder is hereby claimed, as such statements constitute, among other things, trade secrets and include information that, if released, would

⁵ As noted above, Tohigh Holdings is principally a family investment vehicle and does not produce audited financial statements.

⁶ Oceanwide Capital Investment Management Group Co., Ltd. was formed in 2015 and does not produce stand-alone audited financial statements. It is, however, a wholly-owned subsidiary of, China Oceanwide Holdings Group Co., Ltd. and, as such, its financial information is included in China Oceanwide Holdings Group Co., Ltd.'s audited financial statements.

cause substantial injury to the competitive position of the Acquiring Parties and the Domestic Insurer.

Unaudited consolidated financial statements of each of the Acquiring Parties (other than Asia Pacific and the New Holding Companies) for the interim period ended June 30, 2016 are attached as **Exhibit 7** to this Statement.

Neither Asia Pacific, which was formed in July 2016, nor any of the New Holding Companies, which are all newly formed, has any financial statements.

3. Tender Offer, Agreements for Voting Securities

Other than as described in this Statement, there are no tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of Genworth or the Domestic Insurer or any additional soliciting material, employment, consultation, advisory, or management contracts concerning Genworth or the Domestic Insurer.

4. Annual Reports

Annual reports to the stockholders of Genworth and the annual reports of China Oceanwide for the last two years are attached as **Exhibit 8** and **Exhibit 9**, respectively, to this Statement.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

The Acquiring Parties agree to provide the annual report specified in § 5004(l) of Title 18 of the Delaware Code, for so long as control by the Acquiring Parties exists. The Acquiring Parties agree to provide, to the best of their knowledge and belief, the information required by Form F within 15 days after the end of the month in which the acquisition of control occurs.

Analysis of Competitive Impact Under 18 Del. C. §5003

As the Acquiring Parties do not have any existing insurance operations in the United States, the effect of the Merger would not be to substantially lessen competition in any line of commerce in insurance in Delaware or tend to create a monopoly therein within the meaning of Section 5003(d)(1)(b).

ITEM 14. SIGNATURE AND CERTIFICATION.

SIGNATURE

Pursuant to the requirements of Section 5003 of the Insurance Holding Company System Registration Act and Regulation No. 13, the Acquiring Party has caused this application to be duly signed on its behalf in the City of Beijing, and the Country of China, on the 28th day of November, 2016.



Tohigh Holdings Co., Ltd.
REDACTED

By
Name: Zhiqiang Lu
Title: Chairman and President

Attest: REDACTED

By:
Name: Nang Li
Title: Assistant President

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated November 28, 2016 for and on behalf of the Applicant; that he is the Chairman and President of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief. REDACTED

By:
Name: Zhiqiang Lu REDACTED

ITEM 14. SIGNATURE AND CERTIFICATION.

SIGNATURE

Pursuant to the requirements of Section 5003 of the Insurance Holding Company System Registration Act and Regulation No. 13, the Acquiring Party has caused this application to be duly signed on its behalf in the City of Beijing, and the Country of China, on the 28th day of November, 2016.



Oceanwide Group Co., Ltd.
REDACTED

By: _____
Name: Zhiqiang Lu
Title: Chairman and President

Attest: REDACTED

By: _____
Name: Neng Li
Title: Assistant to the Chairman

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated November 28, 2016 for and on behalf of the Applicant; that he is the Chairman and President of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief. REDACTED REDACTED

By: _____
Name: Zhiqiang Lu

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SIGNATURE

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China Oceanwide Holdings Group Co., Ltd.
REDACTED

By:
Name: Zhuqiang Lu
Title: Chairman and President

Attest: REDACTED

By:
Name: Xiaosheng Han
Title: Executive Director

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated November 28, 2016 for and on behalf of the Applicant; that he is the Chairman and President of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief. REDACTED

By:
Name: Zhuqiang Lu

[Signature Page to Delaware Form A]

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SIGNATURE

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(SEAL)



Oceanwide Holdings Co., Ltd.
REDACTED

By:
Name: Zhiqiang Lu
Title: Chairman and Executive Director
REDACTED

Attest: REDACTED

By:

Name: Xiaochang Han
Title: Executive Director

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated November 28, 2016 for and on behalf of the Applicant; that he is the Chairman and Executive Director of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief. REDACTED
REDACTED

By:
Name: Zhiqiang Lu

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(SEAL)



Oceanwide Capital Investment Management Group Co., Ltd.
REDACTED

By:
Name: Zhiqiang Lu
Title: Chairman

Attest: REDACTED

By:
Name: Neng Li
Title: Supervisor

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated November 28, 2016 for and on behalf of the Applicant; that he is the Chairman of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief. REDACTED REDACTED

By:
Neng Li
Zhiqiang Lu

[Signature Page to Delaware Form A]

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(SEAL)



Wuhan CBD Development & Investment Co., Ltd.
REDACTED

By: _____
Name: Zhiqiang Lu REDACTED
Title: Chairman

Attest: REDACTED

By:

Name: Xiaosheng Han
Title: Vice chairman

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated November 28, 2016 for and on behalf of the Applicant, that he is the Chairman of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts thereof set forth are true to the best of his knowledge, information and belief.
REDACTED

By
Name: Zhiqiang Lu

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(SEAL)



Asia Pacific Global Capital Co., Ltd.
REDACTED

By: _____
Name: Zhiqiang Lu
Title: Chairman

Attest: REDACTED

By: _____

Name: Xiaosheng Han
Title: Director

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated November 28, 2016 for and on behalf of the Applicant; that he is the Chairman of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief. REDACTED

By: _____
Name: Zhiqiang Lu

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(SEAL)

Asia-Pacific Universe Investment (Hong Kong) Limited
REDACTED

By: _____
Name: Zhiqiang Lu REDACTED
Title: Chairman

Attest: REDACTED

By: _____
Name: Xiaosheng Han
Title: Director

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated November 28, 2016 for and on behalf of the Applicant; that he is the Chairman of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief. REDACTED

By: _____
Name: Zhiqiang Lu

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(SEAL)

Asia Pacific Insurance Holdings Limited
REDACTED

By: _____
Name: Zhiqiang Lu
Title: Chairman

Attest: REDACTED

By: _____
Name: Xiaoshang Han
Title: Director

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated November 28, 2016 for and on behalf of the Applicant; that he is the Chairman of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief. REDACTED

By: _____
Name: Zhiqiang Lu

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(SFAL)

Asia Pacific Global Capital Limited
REDACTED

By: _____
Name: Zhiqiang Lu
Title: Chairman

Attest: REDACTED

By: _____
Name: Xiaosheng Han
Title: Director

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated November 28, 2016 for and on behalf of the Applicant; that he is the Chairman of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief. REDACTED

By: _____
Name: Zhiqiang Lu

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(SEAL)

Asia Pacific Insurance USA Holdings Corporation
REDACTED

By:
Name: Zhiqiang Lu
Title: Chairman

Attest: REDACTED

By:
Name: Xiaosheng Han
Title: Director

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated November 28, 2016 for and on behalf of the Applicant; that he is the Chairman of such company, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief. REDACTED

By
Name: Zhiqiang Lu

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SIGNATURE

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(SEAL)

Zhiqiang Lu REDACTED
REDACTED

By: _____
Name: Zhiqiang Lu

Attest: REDACTED

By: _____
Name: Xiaosheng Han

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached application dated November 28, 2016 for and on behalf of the Applicant; that he is the N/A of such N/A, and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: _____
Name: Zhiqiang Lu

EXHIBIT 2

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE**

IN THE MATTER OF:)
)
The Form A Statement Regarding the Acquisition of)
Control of Genworth Life Insurance Company, an)
indirect subsidiary of Genworth Financial, Inc., by)
Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide)
Group Co., Ltd.; China Oceanwide Holdings Group)
Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide)
Capital Investment Management Group Co., Ltd.;)
Wuhan CBD Development & Investment Co., Ltd.;)
Tohigh Holdings Development Limited; Tonghai)
International Group Investment Limited; Asia Pacific)
Global Capital Co., Ltd.; Asia-Pacific Universe)
Investment (Hong Kong) Limited; Asia Pacific)
Insurance Holdings Limited; Asia Pacific Global)
Capital Limited; and Asia Pacific Insurance USA)
Holdings LLC)

Docket No. 3346-2016

ORDER

Tanisha Merced, Esquire, Deputy Insurance Commissioner of the State of Delaware, does hereby order that Stephen P. Lamb, Esquire be appointed Hearing Officer in the above-captioned matter.

SO ORDERED this 20th day of November, 2018.



Tanisha Merced, Esquire
Deputy Insurance Commissioner
State of Delaware

EXHIBIT 3



The News Journal
Media Group

A GANNETT COMPANY

Street Address:
950 West Basin Road
New Castle, DE 19720

(302) 324-2500
(800) 235-9100

Mailing Address:
P.O. Box 15505
Wilmington, DE 19850

Legal Desk:
(302) 324-2676
Legal Fax:
302 324-2249

SD INSURANCE DEPT
ACCOUNTS PAYABLE STE 100
841 SILVER LAKE BLVD
DOVER, DE 19904

AFFIDAVIT OF PUBLICATION

State of Delaware
New Castle County

} SS.

Personally appeared **The News Journal**

Of the **The News Journal Media Group**, a newspaper printed, published and circulated in the State of Delaware, who being duly sworn, depose and saith that the advertisement of which the annexed is a true copy, has been published in the said newspaper times, once in each issue as follows:

10/31/18, 11/01/18 A.D 2018





Sworn and subscribed before me, this 20 day of
November, 2018

Ad Number: 0003228791

Legal notification printed at larger size for affidavit.



NOTICE OF PUBLIC HEARING

INSURANCE COMMISSIONER, TRINIDAD NAVARRO, hereby gives notice that a public hearing will be held on WEDNESDAY, NOVEMBER 28, 2018 at 9:00 a.m., prevailing Eastern Time, at the Kent County Courthouse, 414 Federal Street, Dover, DE 19901 (the "Hearing").

The purpose of the Hearing is to address the application reviewed by the Delaware Department of Insurance pursuant to 18 Del. C. §5003, regarding the Form A Statement Regarding the Acquisition of Control of Genworth Life Insurance Company, an indirect subsidiary of Genworth Financial, Inc., by Zhiqiang Lu, Tohigh Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide Capital Investment Management Group Co., Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh Holdings Development Limited, Tonghai International Group Investment Limited, Asia Pacific Global Capital Co., Ltd., Asia-Pacific Universe Investment (Hong Kong) Limited, Asia Pacific Insurance Holdings Limited, Asia Pacific Global Capital Limited, and Asia Pacific Insurance USA Holdings LLC (the "Application"). The docket number assigned to this matter is 3346-2016.

The Hearing will be conducted in accordance with the Delaware Administrative Procedures Act, 29 Del. C. Chapter 101. A party has the right to present evidence, be represented by Delaware counsel and to appear personally or by other representative. The Delaware Department of Insurance is obligated to reach its decision based on the evidence received.

Comments are being solicited from any person. Comments may be in writing or may be presented orally at the Hearing. Written comments must be received no later than Wednesday, November 21, 2018, by 4:30 p.m., prevailing Eastern Time, and should be addressed to the attention of Leslie Ledogar, Regulatory Specialist, Delaware Department of Insurance, 841 Silver Lake Boulevard, Dover, DE 19904 or sent to genworthcomments@state.de.us. Also, those intending to provide oral comments at the Hearing must notify Ms. Ledogar at (302) 674-7379 or genworthcomments@state.de.us, no later than 4:30 p.m. on Wednesday, November 21, 2018.

10/31,11/1-NJ

EXHIBIT 4

297336

INDEPENDENT NEWSMEDIA INC. USA

110 Galaxy Drive • Dover, DE • 19901 • 1-800-282-8586

State of Delaware:

RECEIVED

NOV 05 2018

DELAWARE INSURANCE DEPT
FRONT DESK

County of Kent:

Before me, a Notary Public, for the County and State aforesaid. Darel LaPrade, known to me to be such, who being sworn according to law deposed and says that he is the publisher of the Delaware State News, a daily newspaper published at Dover, County of Kent, and State of Delaware, and that the notice, a copy of which is hereto attached, as published in the Delaware State News in its issue of _____

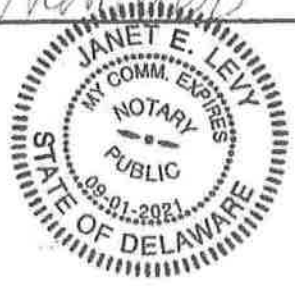
10/31 & 11/1/2018

Darel LaPrade

Publisher
Delaware State News

Sworn to and subscribed before me this 1st

Day of November A.D. 2018



Janet E. Levy
Notary Public

NOTICE OF PUBLIC HEARING

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297336 DSN 10/31;11/1/2018

EXHIBIT 5

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE**

IN THE MATTER OF:)
)
The Form A Statement Regarding the Acquisition of)
Control of Genworth Life Insurance Company, an)
indirect subsidiary of Genworth Financial, Inc., by)
Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide)
Group Co., Ltd.; China Oceanwide Holdings Group)
Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide)
Capital Investment Management Group Co., Ltd.;)
Wuhan CBD Development & Investment Co., Ltd.;)
Tohigh Holdings Development Limited; Tonghai)
International Group Investment Limited; Asia Pacific)
Global Capital Co., Ltd.; Asia-Pacific Universe)
Investment (Hong Kong) Limited; Asia Pacific)
Insurance Holdings Limited; Asia Pacific Global)
Capital Limited; and Asia Pacific Insurance USA)
Holdings LLC)

Docket No. 3346-2016

AFFIDAVIT OF JOANNE CAIOLA

STATE OF DELAWARE)
) SS.
COUNTY OF KENT)

I, JOANNE CAIOLA, Paralegal for the Delaware Department of Insurance Legal Unit, being of full age and being first duly sworn upon her oath, hereby deposes and says:

1. I am a Paralegal for the Delaware Department of Insurance Legal Unit and my responsibilities include assisting with the preparation of documents for public hearings.

2. On October 26, 2018, I arranged for a Notice of Public Hearing to be posted on the Delaware Department of Insurance website and on the Delaware State meeting calendar in accordance with 29 *Del. C.* § 10122 and 29 *Del. C.* § 10124(1).

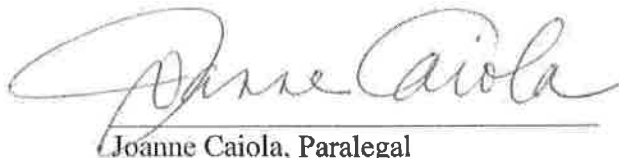
3. On October 29, 2018, I verified that the Notice of Public Hearing was posted on the Delaware Insurance Department website at:

<https://insurance.delaware.gov/wp-content/uploads/sites/15/2018/10/public-hearing-regarding-genworth.pdf>

and also posted on the Delaware State Meeting Calendar at:

<https://publicmeetings.delaware.gov/Meeting/60907>

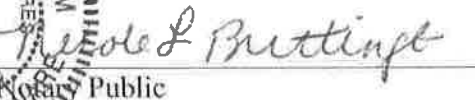
4. Screenshots of the two postings are attached hereto as Exhibits A and B.



Joanne Caiola, Paralegal
Delaware Department of Insurance
Legal Unit

SWORN TO AND SUBSCRIBED before me this 20 day of November, 2018.





Notary Public

EXHIBIT A

Trinidad Navarro
Commissioner



Delaware Department of Insurance

NOTICE OF PUBLIC HEARING

INSURANCE COMMISSIONER, TRINIDAD NAVARRO, hereby gives notice that a public hearing will be held on **WEDNESDAY, NOVEMBER 28, 2018 at 9:00 a.m., prevailing Eastern Time**, at the Kent County Courthouse, 414 Federal Street, Dover, DE 19901 (the "Hearing").

The purpose of the Hearing is to address the application reviewed by the Delaware Department of Insurance pursuant to 18 Del. C. §5003, regarding the Form A Statement Regarding the Acquisition of Control of Genworth Life Insurance Company, an indirect subsidiary of Genworth Financial, Inc., by Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide Capital Investment Management Group Co., Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh Holdings Development Limited; Tonghai International Group Investment Limited; Asia Pacific Global Capital Co., Ltd.; Asia-Pacific Universe Investment (Hong Kong) Limited; Asia Pacific Insurance Holdings Limited; Asia Pacific Global Capital Limited; and Asia Pacific Insurance USA Holdings LLC (the "Application"). The docket number assigned to this matter is 3346-2016.

The Hearing will be conducted in accordance with the Delaware Administrative Procedures Act, 29 Del. C. Chapter 101. A party has the right to present evidence, be represented by Delaware counsel and to appear personally or by other representative. The Delaware Department of Insurance is obligated to reach its decision based on the evidence received.

Comments are being solicited from any person. Comments may be in writing or may be presented orally at the Hearing. Written comments must be received no later than **Wednesday, November 21, 2018, by 4:30 p.m., prevailing Eastern Time**, and should be addressed to the attention of Leslie Ledogar, Regulatory Specialist, Delaware Department of Insurance, 841 Silver Lake Boulevard, Dover, DE 19904 or sent to genworthcomments@state.de.us. Also, those intending to provide oral comments at the Hearing must notify Ms. Ledogar at (302) 674-7379 or genworthcomments@state.de.us, no later than 4:30 p.m. on Wednesday, November 21, 2018.

<https://insurance.delaware.gov/wp-content/uploads/sites/15/2018/10/public-hearing-regarding-genworth.pdf>

EXHIBIT B



Search, browse, and attend public meetings. View historic meeting information back to March of 2004.

Public Hearing Proposed Acquisition of Control of Genworth Life Insurance Company

09:00 AM - 12:00 PM Wednesday November 28, 2018

[Insurance Department](#) / [Insurance](#) / [Insurance](#)

MEETING DESCRIPTION

The purpose of the Hearing is to address the application reviewed by the Delaware Department of Insurance pursuant to 18 Del. C. 5003, regarding the Form A Statement Regarding the Acquisition of Control of Genworth Life Insurance Company, an indirect subsidiary of Genworth Financial, Inc., by Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide Capital Investment

Management Group Co., Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh Holdings Development Limited; Tonghai International Group Investment Limited; Asia Pacific Global Capital Co., Ltd.; Asia-Pacific Universe Investment (Hong Kong) Limited; Asia Pacific Insurance Holdings Limited; Asia Pacific Global Capital Limited; and Asia Pacific Insurance USA Holdings LLC (the "Application"). The docket number assigned to this matter is 3346-2016.

CONTACT INFORMATION

Leslie Ledogar
302-674-7379
genworthcomments@state.de.us
[Website](#)

ADDRESS

Kent County Courthouse
414 Federal St
Dover DE 19901
(the "Hearing")

VIRTUAL MEETING INFORMATION

None

DOCUMENTS

[Document](#)

CHANGE HISTORY

Date	Reason
10/26/2018	Topic change - Purpose, Meeting Information
10/26/2018	Topic change - Purpose, Meeting Information
10/26/2018	Document change - Associated Document saved
10/26/2018	New

EXHIBIT 6

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE**

IN THE MATTER OF:)
)
The Form A Statement Regarding the Acquisition of)
Control of Genworth Life Insurance Company, an)
indirect subsidiary of Genworth Financial, Inc., by)
Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide)
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Global Capital Co., Ltd.; Asia-Pacific Universe)
Investment (Hong Kong) Limited; Asia Pacific)
Insurance Holdings Limited; Asia Pacific Global)
Capital Limited; and Asia Pacific Insurance USA)
Holdings LLC)

Docket No. 3346-2016

**Testimony of David Lonchar, Director of the Bureau of Examination,
Rehabilitation and Guaranty, Delaware Department Of Insurance**

Background

Q: Will you please state your name for the record?

A: David Lonchar.

Q: Could you tell us your current employer and position?

A: I am the Director of the Bureau of Examination, Rehabilitation and Guaranty of the Delaware Insurance Department.

Q: Could you please give us a brief overview of your educational and professional background?

A: I have a Bachelors' Degree in Business Administration with a focus in Accounting from West Liberty State College, West Liberty, WV.

I have been an insurance regulator for over 31 years and a Certified Financial Examiner for over 22 years.

Q: Could you give us a brief overview of your insurance regulatory experience?

A: I began my career as an analyst with the West Virginia Department of Insurance from 1987 to 1991.

Q: Who did you work for next?

A: The State of Delaware Department of Insurance.

Q: How long have you been employed with the Delaware Department of Insurance?

A: 27 years.

Q: Again, what is your current position?

A: I am the Director of the Bureau of Examination, Regulation and Guaranty, or BERG for short.

Q: How long have you held that position?

A: I have performed the Director's duties since January 2015 and was officially appointed to this position in April 2016.

Q: What positions have you held within the Department prior to becoming the Director of BERG?

A: I began as a Financial Analyst in 1991.

In 2000, I was promoted to a Supervising Analyst.

In 2011, I was promoted to Chief Financial Examiner.

Q: What is BERG's responsibility within the Department?

A: BERG is responsible for the examination, and regulation of insurance companies licensed and domiciled in the State of Delaware.

Q: What does it mean that an insurer is "domiciled" in Delaware?"

A: Domicile is a registration process that establishes which state is the insurance regulatory body that principally oversees the regulatory supervision of an insurer.

The regulator for the insurer's state of domicile, or Domestic Regulator, is principally responsible for the financial and market conduct oversight of that state's insurers.

The Domestic Regulator consults with and leads the other state insurance departments to regulate the insurer.

Q: How many insurers are domiciled in Delaware?

A: 145.

Q: What kinds of examination and analyses does your division perform with respect to Delaware domiciled insurers?

A: All varieties of financial review and analysis related to Delaware insurers.

Q: Can you give us some examples?

A: For instance, we regularly review and analyze:

- annual and quarterly financial statements,
- trend analyses,
- S.E.C. filings,
- audit reports,
- actuary reports,
- examination reports and financial transactions between parent companies, affiliates and subsidiaries of companies domiciled in Delaware and transactions involving mergers and acquisitions of Delaware insurers.

Q: In connection with your duties as the Director of BERG, are you familiar with the term Form A?

A: Yes.

Q: What does that term mean?

A: Generally, the Form A is an application by a person or business that desires to acquire control of a Delaware domestic insurer.

Q: How does the Form A Application Process work?

In Delaware, a person or business that wants to acquire control of a Delaware domestic insurer must file an application with the Department and obtain Department approval for the proposed transaction.

This process includes:

- the submission of an application in the form required by Regulation 1801,
- review of the application by the Department, and
- a public hearing on the application as required by Section 5003(d) of Title 18 of the Delaware Code.

Q: Are you typically involved in the Form A review process on behalf of the Department?

A: Yes.

Q: What is your role in that review?

A: I oversee the financial analysts responsible for review of the materials submitted with the Form A application.

The analysts review the application to determine whether it complies with the requirements of 18 *Del. C.* § 5003(d).

The analysts also make a recommendation on behalf of the Department whether to approve the application.

Q: How many Form A Application processes have you been involved with in your regulatory career?

A: Close to one hundred.

Department Review of the Form A Application

Q: We are here today concerning the Form A application, as amended and supplemented (the “Application”), for the Acquisition of Control of Genworth Life Insurance Company (the “Domestic Insurer”), an indirect subsidiary of Genworth Financial, Inc. (“Genworth”), by Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide Capital Investment Management Group Co., Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh Holdings Development Limited; Tonghai International Group Investment Limited; Asia Pacific Global Capital Co., Ltd.; Asia-Pacific Universe Investment (Hong Kong) Limited; Asia Pacific Insurance Holdings Limited; Asia Pacific Global Capital Limited; and Asia Pacific Insurance USA Holdings LLC, (the “Applicants”) .

Did BERG review the Application that is the subject of this Hearing?

A: Yes.

Q: What was BERG’s role in the review of the Application?

A: To determine whether the Application and the proposed transaction comply with Chapter 50 of Title 18 of the Delaware Code, as well as Regulation 1801, and to recommend to the Commissioner whether the Application and transaction should be approved.

Q: What did you do specifically in connection with that review?

A: For the past two years I've worked closely with the analysts assigned to this Application, our internal team of review experts, as well as our outside experts retained specifically for this transaction.

Q: Is the Application that we are considering today the same that was initially filed?

A: No. Over the past two years, the Application was amended and supplemented a number of times.

Q. Could you tell us what your analysts and the Department's team have considered as part of their review of the Application?

A: The analysts engaged in a comprehensive review of:

- the documentation and information provided by the Applicants in the Application,
- all amendments and supplements,
- all exhibits, and
- all other documents or information submitted by the Applicants or Genworth in support of the Application.

The Department's team also reviewed thousands of pages of documents that the Applicants and Genworth submitted either as part of the Application requirements or in response to questions from the Department, our counsel, or our experts.

Q: Besides the Department's analysts, who were the additional members of the Department's team?

A: Our team was also assisted by the Deputy Attorney General assigned to the Department, outside special legal counsel, Black and Gerngross and the Bayard firm.

We also retained certain other experts to assist us in specific areas that were relevant to this particular domestic insurer, long term care generally, and these Applicants. The outside experts consulted with us and assisted us in making our determinations.

Q: Can you give us some examples of areas where the Department used consulting experts to assist in its review of the Application?

A: Yes. Our consultants, in addition to the law firms I previously testified about, included:

- Kroll, which is a worldwide investigation firm;
- Price Waterhouse Coopers, whose consulting actuarial division assisted our department actuarial team on matters unique to Genworth and to this specific transaction; and
- Mazars, which is a worldwide accounting firm that assisted the Department to evaluate the Applicants' financial condition including a review of the reliability of the conversion of the Applicants' financial statements into statements under the International Financial Reporting Standards (IFRS) and US GAAP standards.

Q: Can you give us some examples of areas where the Department used these consulting experts to assist in the review of the Application?

A: Yes, in addition to what we review in every transaction, and the statutory criteria, we made inquiry to determine:

- whether the Chinese accounting firms of the Applicants are legitimate entities independent from China Oceanwide, its affiliates, and the Lu family;
- whether the accounting firms are competent and capable of providing accounting services to a large enterprise such as China Oceanwide and affiliates;
- whether the overall reputations of the firms were satisfactory;
- whether the Applicants are directly or indirectly owned or controlled in whole or substantial part by a government or governmental agency;

We also had help reviewing the competence, experience, integrity and overall reputation of the Applicants and their directors, officers and supervisors.

Q: What were you seeking to determine?

A: Whether the Application and the proposed transaction meet the statutory criteria requiring approval under Delaware law.

Q: In that regard did your teams do anything else as part of their review?

A: Yes, our teams:

- Analyzed the financial condition of the Applicants with specific focus on the global enterprise to determine whether the Applicants' financial condition prejudices the policyholders or public; and
- Evaluated the specific form of this transaction, including the impact of the proposed infusion of liquidity and its contribution to the ability of the domestic insurer to pay policyholder claims in the future.

Q: What statutory standard did you use do to determine whether the Application was complete?

A: We looked to 18 *Del. C.* § 5003(b)(1)-(14) which states the criteria for completeness of a Form A application.

Q: Did the Department review each of the 14 criteria set forth in that statute to determine whether they were satisfied?

A: Yes.

Q: Based on that review, did the Department make a finding as to whether the Application was complete under the statute?

A: Yes, we determined that the Application was complete.

Form A Analysis, Statutory Criteria and Findings

Q: And what did you do to analyze the Application under the standards contained in Section 5003(d)(1) of the Insurance Code?

A: We reviewed the Application for each of the six statutory criteria contained in that Code Section. Based upon the language of the statute, we look at each of the criteria as an opposite. That section directs that the Insurance Commissioner must approve an application for acquisition of control of a Delaware domiciled insurer unless it is determined that the acquisition would run afoul of one of six specified criteria or standards.

Section 5003(d)(1)(a)

Q: What is the first standard you applied?

A: The standard in Section 5003(d)(1)(a).

Q: The standard reads: “[a]fter the change of control, the domestic insurer would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed.”

What did the Department do to evaluate the Application for this standard?

A: The inquiry was whether the proposed acquisition would take away the ability of any of the Domestic Insurer to have a license. That is not an issue here.

The change of control will not impact the ability of the Domestic Insurer to meet the requirements for the issuance of a license to write the line or lines of insurance for which they are presently licensed.

Section 5003(d)(1)(b)

Q: Did the Department apply any other standards?

A: Yes.

Q: What is the next standard that the Department applied?

A: The next standard is 5003(d)(1)(b).

Q: Section 5003(d)(1)(b) provides that “[t]he effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this State or tend to create a monopoly therein.”

Section 5003(d)(1)(b)(1) further provides that “[t]he informational requirements of § 5003A(c)(1) of this title and the standards of Section 5003A(d)(2) of this title shall apply.”

What did the Department do to evaluate the Form A for this standard?

A: We looked to the Competitive Standard in Section 5003(A).

Q: Section 5003(A)(c)(1) requires that in any acquisition of an insurer authorized to do business in Delaware, a filing must be made with the Commissioner to determine if the acquisition may substantially lessen competition in any line of insurance or tend to create a monopoly.

What did the Department do to analyze that standard?

A: As noted in the Application, none of Applicants conduct insurance operations in Delaware. Therefore, the Department does not expect there to be a market increase in any line of business in Delaware.

Q: Does the Department have a finding whether the second standard of Section 5003(d)(1)(b) is met?

A: Yes.

Q: What is the Department’s finding?

A: In 2017, the Domestic Insurer’s direct premiums written in Delaware totaled approximately \$12 million.

This amount is less than 1% of the life, annuity, accident and health direct premiums written in Delaware.

The acquisition will have no effect on the market share of the Domestic Insurer with respect to any line of business in Delaware or elsewhere.

Therefore, the Department finds no evidence that the competitive standard is violated as a result of the acquisition.

The acquisition will not create a concentration of business that would substantially lessen the competition in insurance or be likely to create a monopoly in the state under the standards of this section.

Section 5003(d)(1)(c)

Q: Did the Department analyze the Application under any other statutory criteria?

A: Yes.

Q: What is the next standard that was applied?

A: Section 5003(d)(1)(c).

Q: Section 5003(d)(1)(c) provides that “[t]he financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders.”

What did the Department do to evaluate the Form A Application for this standard?

A: In a typical Form A review process for this standard, the Department reviews five years of an Applicants’ audited financials.

In this case, the Applicants’ financials were prepared in accordance with Chinese accounting standards. These documents needed to be converted and translated for the

Department to complete its required review under this section. The Department's outside experts assisted the Department in analyzing the converted financial statements.

Q: Based on this review, does the Department have a finding whether the financial condition of the Applicants might jeopardize the financial stability of the insurer?

A: Yes.

Q: What is the Department's finding?

A: The Department concludes that the financial condition of the acquiring parties is not such as would jeopardize the financial stability of the Domestic Insurer or prejudice the interest of its policyholders.

Section 5003(d)(1)(d)

Q: Did the Department apply any other statutory criteria?

A: Yes. The next standard applied was Section 5003(d)(1)(d).

Q: Section 5003(d)(1)(d) states that “[t]he plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest.”

What did the Department do to evaluate the Application for this standard?

A: The Department reviewed the Application for statements regarding this standard.

This included the Applicants' statement that they have no present plans or proposals to cause the Domestic Insurer:

- to issue an extraordinary dividend;
- to liquidate the Domestic Insurer;
- to sell the Domestic Insurer's assets (except for transactions in the ordinary course of business), or to merge the Domestic Insurer with any person or persons; or
- to make any other material change in any of the Domestic Insurer's corporate structure, business operations or management.

Q: Did the Department scrutinize the Applicants and Domestic Insurer's regulatory approval by the Committee on Foreign Investment in the United States' ("CFIUS")?

A: Yes. We monitored the extensive efforts and implications of the CFIUS approval and particularly analyzed the Mitigation Agreement.

While the CFIUS review and approval process are separate and distinct from the Department's review and Form A process, the Department's team assured itself that the Department will continue to have unrestricted ability to access data as part of its on-going regulatory oversight of the Domestic Insurer.

Genworth confirmed and we are satisfied that the security implemented through the Mitigation Agreement will not impede the Department's access to data in the future.

Q: Based on the Department's analysis of the Application under this criteria, does the Department have a finding whether this standard has been met?

A: Yes.

Q: What is the Department's finding?

A: The Department finds no evidence that the plans or proposals the Applicants have for the Domestic Insurer are unfair and unreasonable to the policyholders of the Domestic Insurer and not in the public interest. The Department finds no violation of this standard.

Section 5003(d)(1)(e)

Q: Did the Department apply any other statutory criteria?

A: Yes.

Q: What?

A: The next standard applied was Section 5003(d)(1)(e).

Q: Section 5003(d)(1)(e) provides that “[t]he competence, experience and integrity of those persons who would control the operation of the insurer are such that it would not be in the best interest of policyholders of the insurer and of the public to permit the ... acquisition of control.”

What did the Department do to evaluate the Form A for this standard?

A: Typically, the Department reviews biographical affidavits and third-party background checks of all individuals who may ultimately control a domestic insurer.

However, the Applicants and the Applicants' auditors in this case are Chinese nationals. Because of the difficulty in accessing public records in China, this process was protracted and required specialized international investigation experience.

As I testified to previously, the Department acquired outside expertise to perform investigation and analysis of the Applicants, their control persons, and their auditors.

Q: Based upon the Department's analysis of the Application under this criteria, does the Department have a finding whether this standard has been met?

A: Yes.

Q: What is the Department's finding?

A: The Department has no material concern with the backgrounds and expertise reflected in the affidavits or background checks. The Department finds that the persons who will control and oversee the insurance operations or otherwise provide services to the Domestic Insurer are experienced and competent. The Department finds no violation of this standard.

Section 5003(d)(1)(f)

Q: Did the Department apply any other statutory criteria?

A: Yes. The next standard applied is Section 5003(d)(1)(f).

Q: Section 5003(d)(1)(f) requires that "[t]he acquisition is likely to be hazardous or prejudicial to the insurance buying public."

What did the Department do to evaluate the Application for this standard?

A: The Department:

- reviewed the entire Application;
- consulted with the Department's specially retained experts and counsel;
- met with or conferred by telephone with Genworth and the Applicants many times per week over the past two years to seek additional information to assist our analysis, and
- worked collaboratively with other state's regulators to assure that their concerns were known and addressed.

Q: Has this been a thorough review?

A: The level of review and analysis of this Application was unprecedented for the Department.

In addition to the specific and detailed analysis and review completed by the Department and its experts with respect to the statutory criteria, the Department also considered the affect of the transaction as a whole on the insurance buying public.

In particular, the Department considers the \$375 million increased liquidity to the Domestic Insurer as an immediate, direct and significant benefit to the Domestic Insurer and its policy holders.

China Oceanwide's capital infusion of \$1.5 billion into the Genworth companies will also benefit the Domestic Insurer by providing a financially stronger parent company.

Q: Based upon the Department's analysis of the Application under this criteria does the Department have a finding whether this standard has been met?

A: It does.

Q: Please explain the Department's finding.

A: There is no evidence that the proposed acquisition would be hazardous or prejudicial to the insurance buying public. The Department finds no violation of this standard.

Conclusion and Recommendation

Q: Based upon your review and analysis of the Application, did the Department make a determination whether the Application meets the requirements of Chapter 50 of Title 18 of the Delaware Code?

A: Yes.

Q: What is the Department's determination?

A: The Application does not violate 18 *Del. C.* Sections 5003(d)(1)(a) through (f) and meets the requirements of Chapter 50 of Title 18 of the Delaware Code.

Q: Have you read the pre-filed testimony of the Domestic Insurer's representative, Thomas J. McInerney, President and CEO of Genworth, concerning this transaction?

A: Yes.

Q: Were there any facts in his testimony that you were not aware of prior to today?

A: No.

Q: Did Mr. McInerney's testimony alter the Department's findings in any way?

A: No.

Q: Did his testimony change the Department's determination in any way?

A: No.

Q: Have you read the pre-filed testimony of the Applicants' representative, Xiaoxia Zhao?

A: Yes.

Q: Were there any facts in his testimony that you were not aware of prior to today?

A: No.

Q: Did Mr. Zhao's testimony alter the Department's findings in any way?

A: No.

Q: Did his testimony change the Department's determination in any way?

A: No.

Q: Have you similarly read the pre-filed testimony of the Domestic Insurer's witnesses concerning this transaction?

A: Yes.

Q: Were there any facts in this other pre-filed testimony that you were not aware of prior to today?

A: No.

Q: Did the other pre-filed testimony alter the Department's findings in any way?

A: No.

Q: Did this testimony change the Department's determination in any way?

A: No.

Q: Have you reviewed and considered the public comment and inquiries received by the Department in this matter?

A: Yes.

Q: Based on the Department's review and analysis of the Application, the pre-filed testimony as well as the written public comment and inquiries received to date, does the Department have a recommendation as to whether the Application should be approved?

A: Yes.

Q: What is the Department's recommendation?

A: The Department recommends approval of the acquisition in accordance with Chapter 50 of Title 18.

Q: Are there any other issues the Department would like to address for the record in this matter?

A: Yes. We would ask that any final Order include three conditions to help our ongoing regulation of the Domestic Insurer going forward:

1. As is customary, we require that the Applicants must obtain all necessary regulatory approvals in other jurisdictions prior to the closing;
2. Applicants and the Domestic Insurer shall agree that the Department's ongoing monitoring plan for the Domestic Insurer, which the Department regularly develops and implements for every insurer regulated by the Department, will include appropriate teams from the Applicants, the Domestic Insurer and the Department, including any professional advisors as determined by the Department, to regularly monitor, evaluate and report on the key aspects of the Domestic Insurer's operations. All fees, costs and expenses associated with the monitoring plan shall be paid by the Domestic Insurer; and
3. Any future dividends from the Domestic Insurer must receive prior approval from the Department.

EXHIBIT 7

**HEARING ON APPLICATION FOR ACQUISITION OF CONTROL OF
OR MERGER WITH A DOMESTIC INSURER**

Before the Commissioner of Insurance of the State of Delaware

Application of Mr. Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide Capital Investment Management Group Co., Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh Holdings Development Limited; Tonghai International Group Investment Limited; Asia Pacific Global Capital Co., Ltd.; Asia-Pacific Universe Investment (Hong Kong) Limited; Asia Pacific Insurance Holdings Limited; Asia Pacific Global Capital Limited; and Asia Pacific Insurance USA Holdings LLC (collectively, the "Applicants") for the Acquisition of Control of or merger with Genworth Life Insurance Company.

Date: November 21, 2018

TESTIMONY OF THOMAS J. MCINERNEY

A. Introduction

1. Please state your full name, business address, current employer, and position.

- A. My name is Thomas J. McInerney. My business address is 6620 West Broad Street, Richmond, VA 23230. I am employed by Genworth Financial Inc. (which I will refer to as "Genworth").

I am President, Chief Executive Officer, and a director of Genworth. I have held these positions since January 2013. Genworth is a publicly traded Fortune 500 insurance holding company incorporated in Delaware. Genworth's common stock is traded on the New York Stock Exchange under the symbol "GNW." Genworth Life Insurance Company (which I will refer to as the "Domestic Insurer") is a Delaware domiciled insurer and a wholly-owned, indirect subsidiary of Genworth. I am also a Senior Vice President of the Domestic Insurer and the Chairman of the Domestic Insurer's Board of Directors (which I will refer to as the "Board").

2. Please describe your educational and career background prior to joining Genworth.

- A. I received a Bachelor of Arts degree in Economics from Colgate University and a Master of Business Administration degree from the Tuck School of Business at Dartmouth College.

I have been in the global insurance industry for 40 years. I began my career at Aetna Inc. as an insurance underwriter in 1978 and moved to a number of

leadership positions there. Later, I served in a variety of senior roles with ING Groep NV (which I will refer to as “ING”). From October 2009 to December 2010, I was a member of ING’s Management Board for Insurance, where I was the Chief Operating Officer of ING’s insurance and investment management business worldwide. I served as a Senior Advisor to the Boston Consulting Group from June 2011 to December 2012, providing consulting and advisory services to leading insurance and financial services companies in the United States and Canada. Then I joined Genworth.

3. Please tell us your purpose for being here today.

A. I am here today on behalf of Genworth in connection with the proposed acquisition of control (which I will refer to as the “Proposed Acquisition”) of the Domestic Insurer by the Applicants. The precise mechanics of the Proposed Acquisition are described in greater detail in the Amended and Restated Form A statement submitted by the Applicants to the Delaware Department of Insurance (which I will refer to as the “Department”) on May 24, 2018 and supplemented on September 6, 2018, September 27, 2018, and October 26, 2018 (which I will refer to jointly as the “Form A Statement”) and in the testimony of Mr. Zhao.

4. Are you familiar with the transaction by which the Applicants propose to acquire control of the Domestic Insurer?

A. Yes, I am familiar with the Proposed Acquisition. In my capacity as Genworth’s President, Chief Executive Officer, and director, I was personally involved in negotiating and approving the Proposed Acquisition. I am familiar with the Form A Statement submitted to the Department by the Applicants.

5. Please describe the Proposed Acquisition.

A. Under the Proposed Acquisition, Mr. Zhiqiang Lu (who I will refer to as “Chairman Lu”), the ultimate controlling person, and the other Applicants controlled by Chairman Lu will directly and indirectly acquire all of the common stock of Genworth, and thus control of the Domestic Insurer. As set forth in the Form A Statement, Asia Pacific Global Capital USA Corporation, an entity controlled by Chairman Lu, will merge with and into Genworth. Genworth will survive this merger (which I will refer to as the “Merger”) as a privately held company under Chairman Lu.

As a result of the Merger, the Applicants will also indirectly acquire a Delaware captive insurer, River Lake Insurance Company VI. The Applicants will pay approximately \$2.7 billion at closing as consideration for Genworth’s outstanding capital stock, and will make post-closing capital contributions totaling \$1.5 billion to Genworth to further improve Genworth’s financial stability, which could be used to retire Genworth’s debt, due in 2020 and 2021, and/or pursue future growth opportunities.

Genworth and the Applicants have agreed that Genworth Holdings, Inc. (which I will refer to as “Genworth Holdings”), or one of its affiliates, will contribute \$175 million to the Domestic Insurer. This \$175 million previously had been committed by Genworth to be used as partial consideration for the unstacking of Genworth Life and Annuity Insurance Company (which I will refer to as “GLAIC”) from the Domestic Insurer, which the parties decided not to pursue. Because the unstacking was not pursued, the Domestic Insurer will continue to own GLAIC and will retain any future value associated with that ownership.

The \$175 million will be contributed in three equal tranches, with the first contribution completed before the end of March 2019, the second contribution completed before the end of September 2019, and the final contribution completed by the end of January 2020. Without the Proposed Acquisition, it is highly unlikely that the Domestic Insurer would ever receive this capital contribution because Genworth has no obligation to fund its insurer subsidiaries, including the Domestic Insurer.

Furthermore, GLAIC, a Virginia domiciled insurer and subsidiary of the Domestic Insurer, will purchase a 7.25% unsecured promissory note due March 31, 2020, issued by Genworth Holdings, as maker, and payable to the Domestic Insurer in the principal amount of \$200 million. As consideration for the purchase of the note, at the closing of the Proposed Acquisition, GLAIC will pay to the Domestic Insurer an amount in cash equal to the fair market value of the note which amount will be no less than \$200 million and no more than \$205 million, plus accrued and unpaid interest. Without the Proposed Acquisition, it is unlikely that Genworth Holdings will be able to repay the note at maturity without negative rating agency impacts and a potentially negative market reaction. Moreover, without the Proposed Acquisition, the note will not come due until March 2020 and it may be extended or renegotiated at that time.

As a result of the contribution of the \$175 million from Genworth Holdings, or one of its affiliates, and the receipt of at least \$200 million from the purchase by GLAIC of the Genworth Holdings note, \$375 million of cash will be injected into the Domestic Insurer, more than half of which will be injected at or around the closing of the Proposed Acquisition and the rest in the following approximately 13 months. Without the Proposed Acquisition, this cash would not be available to the Domestic Insurer within the timelines described or at all. The cash injections improve the Domestic Insurer’s liquidity and capital and surplus immediately after the closing, which benefits the Domestic Insurer and its policyholders.

Each Genworth stock option, stock appreciation right, restricted stock unit award, performance unit award, right to acquire or receive shares of Genworth common stock, or benefits measured by the value of shares of Genworth common stock that is outstanding immediately prior to the Merger will be automatically converted into the right to receive cash based on the Merger’s \$5.43 share price,

as outlined in more detail in the Agreement and Plan of Merger, dated October 21, 2016 (which I will refer to as the “Merger Agreement”).

6. Did the Domestic Insurer receive at least 7 days’ notice of the public hearing?

- A. Yes. On October 31, 2018, the Domestic Insurer received notice of the public hearing from the Applicants.

B. The LTC Market and the Proposed Acquisition’s Effect on the Domestic Insurer’s Policyholders

7. Can you describe some of the benefits of the Proposed Acquisition?

- A. Genworth is, and has been, in a difficult long-term financial position because of the deterioration of its legacy block of long-term care insurance (which I will refer to as “LTC”) business and outstanding debt obligations. The Proposed Acquisition is intended to improve the financial stability of Genworth and the Domestic Insurer, which will in turn benefit the Domestic Insurer and its policyholders.

The Proposed Acquisition will accomplish this by two principal means. First, as described earlier, the Proposed Acquisition will enable large direct cash infusions into the Domestic Insurer, improving its capital by \$175 million and its liquidity by \$375 million. Without the Proposed Acquisition, this cash would not be available to the Domestic Insurer at all because Genworth has no obligation to fund its insurer subsidiaries, including the Domestic Insurer. The cash injections improve the Domestic Insurer’s liquidity and capital and surplus immediately after the closing, putting it in a better capital and liquidity position than without the Proposed Acquisition. The improved liquidity, capital and surplus of the Domestic Insurer directly benefits its policyholders.

Second, the Proposed Acquisition will bring a capital infusion of \$1.5 billion into Genworth to further improve its financial stability. This could include retiring Genworth’s debt, due in 2020 and 2021, and/or enabling future growth opportunities. Reduction of Genworth’s approximately \$3.6 billion of public debt should also facilitate improved ratings, which will help Genworth’s mortgage insurance business improve its market share. Genworth will also avoid having to sell key business units, such as its mortgage insurance business, to repay its debt.

Moreover, by stabilizing the enterprise and improving its ratings, the Proposed Acquisition will enable Genworth to retain its intellectual capital, decrease the need for cost cutting measures, and decrease rates of critical employee attrition. This, in turn, will enable the Domestic Insurer to maintain its commitment to high standards of policyholder servicing, to continue its thought leadership in the LTC industry, and to pursue its LTC rate action plan, which is critical to its ability to pay future claims. All of this will accrue to the benefit of the Domestic Insurer and its policyholders.

More generally, Genworth will benefit from the Proposed Acquisition because the Applicants are invested in Genworth's long-term success. Genworth will be able to continue its operations under the same senior management team and guiding principles that have led it to consistently provide a high standard of policyholder servicing. Moreover, by becoming private, the company will no longer face the pressures of quarterly earnings reporting requirements of a public company and can focus exclusively on long-term plans for growing its business.

8. You mentioned Genworth's LTC strategy. Can you please describe the history of the LTC market and the challenges private insurers have faced?

- A. LTC insurance was first developed in the 1970s as a guaranteed renewable insurance product. This means that as long as the policyholder pays the premium, the carrier cannot cancel or change the policy. Unlike other guaranteed renewable policies, however, when LTC was developed premium rate increases were not planned for, although they were permitted under the policies subject to regulatory approval. This stands in stark contrast to health insurance, where re-rating occurs annually, typically at incremental amounts.

The LTC market experienced dramatic growth in the 1980s and 1990s. Insurers had to set rates when policies were sold, even though claims generally would not be made on these policies for approximately 20 to 30 years or more. By the mid-2000s, when many claims on legacy policies began to accrue, the industry began to experience dramatic losses. At Genworth, these losses have totaled \$3.1 billion as of September 30, 2018 and are clearly not sustainable.

Three factors ultimately served to drive dramatic losses on LTC. First, interest rates were much lower during the 1990s and 2000s than were assumed when policies were initially priced. This led to lower than expected investment returns. Though investment returns are important in pricing any form of insurance, they are of particular importance for LTC products because premiums are held as reserves for decades given the long lag time between when a policy is issued and when claims are generally paid.

Second, the lapse rate on LTC policies has proven to be much lower than was initially expected. LTC policies were initially priced with an assumed ultimate lapse rate of around 5%. This assumption was based on experience in the disability income insurance market and thus seemed to be a reasonable assumption at the time policies were priced. However, the ultimate lapse rate on LTC products has proven to be less than 1%. Over the multi-decade lifespan of these policies, the difference between the assumed and actual lapse rate has resulted in significantly more claims being filed than initially predicted. Notably, this low lapse rate is compelling evidence that policyholders view their policies as quite valuable.

Finally, the severity of the claims has proven to be much higher than was initially predicted. This has been driven in large part by a huge increase in severe dementia and Alzheimer's claims, which require lengthy and expensive care. Medical advances have also decreased mortality among claimants, which increases the occurrence, length, and expense of LTC claims. The negative financial impact of this factor has been compounded by the fact that many early policies had extremely broad coverage.

These problems have led to significant withdrawal from the LTC market by LTC companies. Fifteen years ago, more than 100 companies sold LTC. Today, there are fewer than 20.

9. Genworth and other carriers have had large LTC reserve increases in the recent past. Does LTC have a history of being under-reserved?

- A. No. LTC is a relatively new insurance product. Unlike, for example, life insurance, which has over a hundred years of experience underlying mortality assumptions that are used for pricing and reserving, long-term care was really first developed in the 1970s. Accordingly, while reasonable estimates were used in setting LTC pricing assumptions, there really was no direct experience upon which to rely. Similarly, because claims don't start for long-term care on average until 20 to 30 years from the point of sale, it took many years for claims experience to start developing. For Genworth, the relatively recent reserve strengthening has related to its statutory claims reserves. As claims experience has developed, Genworth, as with any insurance carrier, assessed that experience and updated its statutory claims reserve assumptions. Those updates yielded increases to the statutory claims reserves. Until that experience emerges, an insurance company's statutory claims reserves are the appropriate statutory claims reserves to be held, unless and until revised assumptions result in the need to increase statutory claims reserves. Additionally, as described in more detail in the testimony of Harry Dunn, each year at the end of the year there is an assessment of the overall adequacy of the Domestic Insurer's reserves using a method called cash flow testing. Based on this methodology, it is my understanding that Mr. Dunn concluded that the Domestic Insurer would have sufficient statutory reserves to meet its obligations as of December 31, 2017.

10. How do the Domestic Insurer and Genworth plan to continue to service these needs given the challenges you have previously described?

- A. Genworth has taken steps to strengthen the ongoing viability of its LTC business, both for new business being written on a going-forward basis and for legacy policies.

Genworth has learned from its past experience and the payment of billions of dollars of LTC claims, and Genworth has changed its pricing methodologies. Genworth has utilized much more conservative assumptions in pricing new

products than it has in the past, and it hopes that, working with regulators, it will soon be able to re-rate policies on an annual basis if experience differs from those assumptions. This will enable Genworth to make relatively small changes to rates as needed from year to year, rather than waiting until experience has significantly diverged from its assumptions over many years and having to seek large premium rate increases all at once. This will benefit policyholders by providing more predictable and measured premium rate increases.

The LTC premium rate increases in Genworth's multi-year rate action plan are designed to allow the Domestic Insurer to reduce its current annual losses to closer to break-even in the future. The rate increases are not intended to recoup costs associated with the Proposed Acquisition. The ten year plan sets forth reasonably expected LTC premium rate increases because it is based on historical state approval practices with a measure of conservatism and because all the premium rate increases in the plan are actuarially justified. Though the premium rate increases are subject to regulatory approval in the future, Genworth believes these two facts make it highly likely that the premium rate increases in the ten year plan will be achieved. The additional LTC premiums from rate actions are included in the Domestic Insurer's reserve adequacy analysis. Mr. Dunn, Vice President and Appointed Actuary of the Domestic Insurer, will testify to this issue in greater detail.

The majority of states, approximately 45 out of 50, now recognize the need for LTC premium rate increases and have supported actuarially justified premium rate increases. For example, the average cumulative premium rate increase approved thus far on PCS I, a large block of Genworth's legacy LTC policies, is 121%, but some states have approved increases of over 200%. This progress notwithstanding, there are a few outlier states that remain unwilling to approve actuarially justified premium rate increases. Genworth is continuing to advocate in those states and is working toward achieving approval of premium rate increases in all 50 states.

11. How do you assist LTC policyholders when rates increase?

- A.** Even with significant premium rate increases, LTC policies offer tremendous value to policyholders. Even after premium rate increases are accounted for, policyholders generally have access to benefits that are many multiples of the premiums paid and the premiums to be paid in the future. That being said, Genworth understands that large premium rate increases are a burden for its policyholders because Genworth talks to its customers every day.

Genworth currently offers policyholders who are subject to a premium rate increase a number of options. Genworth's LTC customer service representatives are available to help each policyholder understand their options so they can determine the best course of action for their individual situation. Policyholders can choose to pay the full amount of the premium rate increase and maintain their

current level of protection or make custom benefit adjustments, instead of paying higher premiums, to find the right balance of affordability and protection for their situation. For policyholders who no longer can afford or want to pay any future premiums, Genworth voluntarily offers a non-forfeiture option that equals a “paid up policy.” With this option, if the policyholder becomes claim eligible, Genworth will reimburse eligible expenses, up to the amount of premium paid by the policyholder minus any claims that Genworth previously paid.

Since 2012, approximately 75-80% of Genworth’s policyholders have accepted the higher premiums. However, as Genworth implements additional rounds of premium rate increases Genworth continues to see an increase in the number of policyholders who choose to reduce their benefits.

12. Keeping in mind the challenges of the LTC market and Genworth’s experience in that market, could you please explain why the Proposed Acquisition is beneficial to LTC consumers, including the Domestic Insurer’s current LTC policyholders?

- A. First, the Proposed Acquisition benefits the Domestic Insurer’s current LTC policyholders because it improves the liquidity, capital, and surplus of the Domestic Insurer via a \$375 million injection of cash, as previously discussed.

Second, by improving Genworth’s financial stability through the reduction of its \$3.6 billion of public debt, the Proposed Acquisition will enable Genworth to retain its intellectual capital, decrease the need for cost cutting measures, achieve ratings upgrades over time, and decrease rates of critical employee attrition. This, in turn, will enable the Domestic Insurer to maintain its commitment to high standards of policyholder servicing, and to continue its thought leadership in the LTC insurance market by supporting product innovation and sponsoring LTC studies, symposia, research, and training. Genworth will also be better positioned to continue to execute its multi-year LTC rate action plan, which is essential to stabilizing the financial position of the Domestic Insurer’s legacy LTC business.

Finally, the Proposed Acquisition will also enable Genworth to remain in the LTC market, benefiting LTC consumers more generally. Genworth will be positioned to capitalize on future LTC market growth since Genworth has learned from past experiences and has structured and priced new policies more conservatively.

C. Financial Benefits of the Proposed Acquisition

13. You have mentioned on several occasions that the Proposed Acquisition will strengthen the Domestic Insurer’s financial stability. Can you please explain precisely how it will do so?

- A. As previously mentioned, as a result of the contribution of the \$175 million from Genworth Holdings, or one of its affiliates, and the receipt of at least \$200 million from the purchase by GLAIC of the Genworth Holdings note, the Domestic

Insurer will have improved capital of \$175 million and liquidity of \$375 million. Without the Proposed Acquisition, this cash would not be available to the Domestic Insurer.

Further, Genworth is, and has been, in a difficult financial position due to its outstanding public debt obligations. Specifically, Genworth has approximately \$3.6 billion of outstanding public debt obligations, approximately \$1.5 billion of which is due in 2020 and 2021. Genworth has had credit rating difficulties and several ratings downgrades, which can be traced back to 2014, when Genworth was required to significantly increase reserves by approximately \$1.4 billion in its LTC business. This led to a significant reduction in Genworth's stock price and repeated ratings downgrades at both the parent and licensed insurance subsidiary levels, including Genworth's U.S. mortgage insurance company and the Domestic Insurer. Sales of new products became extremely difficult as ratings declined.

Absent the Proposed Acquisition, and in the face of uncertain market conditions, Genworth would risk being unable to refinance its debt on acceptable terms. If Genworth was not able to refinance its debt, its only option would be to sell valuable assets in order to pay public debt as it comes due. As part of any sale, Genworth would likely have to part with its most valuable and most important dividend-producing assets, including much of its global mortgage insurance business. This would likely result in a long-term decline, more ratings downgrades, and further destabilization of the Genworth group, including the Domestic Insurer. Accordingly, such an asset sale or sales would have a negative impact on Genworth's long-term viability and business prospects.

The Proposed Acquisition lessens Genworth's financial pressures and allows Genworth to chart a way forward. As part of the Proposed Acquisition, the Applicants have committed to contributing \$1.5 billion in capital to further improve Genworth's financial stability, which could include retiring Genworth's debt, due in 2020 and 2021, and/or enabling future growth opportunities. As a result, Genworth will no longer need to finance the repayment of the 2020 and 2021 debt. After the retirement of this public debt, Genworth expects its debt load will be at a level that can be more easily serviced by its three profitable mortgage insurance subsidiaries. Moreover, by helping Genworth get out from under its current debt burden, the Proposed Acquisition will help strengthen Genworth's financial position and operating businesses, and enable it to continue to serve its policyholders at the high level they have come to expect.

14. What will Genworth look like after the Proposed Acquisition?

- A. Genworth understands that the Applicants intend to operate Genworth substantially as it is currently operated. The Applicants' investment philosophy has been to allow local market talent to continue operating businesses with appropriate oversight through board membership and, thus, the Applicants intend to retain Genworth's current senior management team. Genworth and the

Applicants also intend to jointly explore opportunities to introduce LTC in China's very large potential market. The introduction of LTC would be done via a non-U.S. domiciled corporation.

D. Alternatives to the Proposed Acquisition

15. If the Proposed Acquisition is not consummated, what will be the likely effects on the Domestic Insurer?

- A. If the Proposed Acquisition is not consummated, Genworth's options would be limited and not very good. Genworth likely would have to sell off its profitable mortgage insurance business to pay its \$1.5 billion debt obligations, coming due in 2020 and 2021, and the balance of Genworth's public debt due in the future.

Such asset sales may be at depressed prices, however, because Genworth would be under extreme time pressure due to the fact that the purpose of the sale would be to fund debt obligations maturing in 2020 and 2021. In such a rushed situation, it may be difficult for Genworth to obtain the best price for its assets.

Most critically, selling its best businesses under time pressure may have negative long-term effects on Genworth's business. These most profitable assets include portions of its global mortgage insurance business. The sale of these valuable dividend-producing assets would increase financial pressure on Genworth. The financial pressures may also necessitate that Genworth take further expense actions, leading to the attrition of its highly skilled workforce and the loss of knowledgeable staff that would be detrimental to the future operations of the Domestic Insurer.

If the Proposed Acquisition is not consummated, Genworth would likely stop writing new LTC policies, which would reduce even more the availability of this much needed insurance in the marketplace. The Proposed Acquisition and the previously discussed capital contributions will result in a financially stronger Genworth and therefore give Genworth the opportunity to explore future growth opportunities including writing new LTC policies after its credit profile improves. Without the Proposed Acquisition, it is highly unlikely that the Domestic Insurer will ever receive a \$175 million capital contribution because Genworth has no obligation to fund its insurer subsidiaries, including the Domestic Insurer. Furthermore, without the Proposed Acquisition, GLAIC will not purchase from the Domestic Insurer a 7.25% unsecured promissory note issued by Genworth Holdings in the principal amount of \$200 million, and the Domestic Insurer will not receive cash equal to the fair market value of the note.

16. How would these financial pressures affect the Domestic Insurer's policyholders and the public more broadly?

- A. Policyholders would likely suffer direct negative consequences as a result of these financial pressures. Asset sales could result in a decrease in the Domestic Insurer's ability to pursue premium rate actions due to loss of human capital and the diminished performance of the business as a consequence of those sales. Moreover, premium rate actions may be more difficult to achieve if Genworth ceases to be a leader in the LTC market. All this will likely negatively impact the Domestic Insurer's financial position.

Policyholders would also likely experience a drop in the high standard of policyholder services, including claims handling, that the Domestic Insurer is known for providing. This is because the loss of long-term and knowledgeable employees, and the consequences of other expense actions, may make it difficult for Genworth to continue to meet these high standards.

More broadly, policyholders and the public may suffer from the loss of Genworth's leadership in the LTC industry. The financial pressures I have previously discussed may lead to the loss of Genworth's thought leadership in the LTC space, and a withdrawal of support for numerous programs which support the broader LTC ecosystem. These include a national cost of care study, support for Alzheimer's research, and support for long-term caregiver training.

This may also have the effect of causing other carriers to withdraw from the LTC market over time, further reducing competition. Carriers are already struggling in the LTC space, and the loss of Genworth's thought leadership and support for the broader LTC ecosystem may cause other carriers to reevaluate whether maintaining their commitment to this challenging industry is worthwhile. Without a viable private LTC market, the cost of providing long-term care will fall even more heavily to the states and their Medicaid budgets, which are already under stress.

Genworth believes that a robust private LTC industry is critical to addressing the compelling and growing need for LTC products in the United States. The Proposed Acquisition strengthens Genworth's ability to service those needs. Asset sales of Genworth's most profitable mortgage insurance businesses, by contrast, would weaken Genworth and the LTC industry as a whole.

17. Do you believe that a receivership of the Domestic Insurer would be a better solution than the Proposed Acquisition?

- A. No. As an initial matter, it bears emphasizing that the Domestic Insurer is solvent, and therefore not eligible to be put in receivership. The Domestic Insurer has sufficient resources to pay claims as they come due and will continue having that ability as long as states continue to approve rate actions consistent with

Genworth's multi-year rate action plan. Therefore, there is no basis to suggest that the Domestic Insurer should be put into receivership or to claim that this is a viable alternative to the Proposed Acquisition.

The Proposed Acquisition is a far superior solution to receivership. Receiverships are expensive to administer, and ultimately decrease funds available to pay policyholder claims. Receiverships also place a significant administrative burden on both insurance companies and regulators, consuming significant resources on both sides.

Moreover, receiverships have had direct adverse impacts on policyholders. Most states' guaranty funds cap policyholder benefits at \$300,000, and several states still cap benefits at \$100,000. But a large percentage of the LTC claims the Domestic Insurer has historically paid are above those levels. Thus, if the Domestic Insurer were put into receivership, it is reasonable to predict that some of its policyholders would not receive the full benefits for which they have paid. Administrative expenses are also significant in a receivership. Specifically, guaranty fund and receiver administrative expenses in nationwide receiverships are often higher than a going concern or centralized runoff. Critically, these administrative expenses take priority over policyholder benefits.

Receiverships also put a significant strain on state budgets in the majority of jurisdictions that permit premium tax offsets by assessed companies. And companies in receivership have historically had more difficulty obtaining premium rate increases compared with going concerns. As a result, the ability to pursue actuarially justified premium rate increases is diminished in receivership.

A recent example of a highly damaging insolvency is the Penn Treaty group of companies. These companies were also involved in LTC in the 1980s and 1990s. In 2016, Penn Treaty was liquidated, and this action resulted in the second largest life insurance insolvency in the history of the life insurance industry. Only the Executive Life insolvency was larger.

At the time of its liquidation, the Penn Treaty group of companies had a relatively small number of LTC policies in force, with approximately 16,000 LTC policies. Yet, despite the small relative policy size, this insolvency is expected to cost state guaranty funds approximately \$2.5 billion to \$3.0 billion.

Genworth, including the Domestic Insurer and the Genworth Life Insurance Company of New York, has approximately 1.1 million LTC policies, or approximately fifteen (15) times the number of policies held by the Penn Treaty group of companies. Therefore, given its large relative size, a receivership of the Domestic Insurer would create the largest insolvency in the U.S. life insurance industry by far. It is Genworth's opinion that an insolvency of this size would be a disaster for the state insurance regulatory system. There is no reason for the Domestic Insurer to be put into receivership, and it should be avoided at all costs.

For all these reasons, receivership is not a practical or necessary alternative for the Domestic Insurer, especially when there is no financial justification for receivership and where there are other, far more compelling, options available.

18. Is the Domestic Insurer's current financial situation comparable to Penn Treaty?

- A. No. The Domestic Insurer is completely distinguishable from Penn Treaty. As disclosed in the Domestic Insurer's quarterly statutory statement for the quarter ended September 30, 2018, the Domestic Insurer had total capital and surplus of approximately \$2.5 billion. Comparatively, at the time of its insolvency Penn Treaty had a statutory surplus of negative \$3.12 billion, clearly insolvent.

E. The Applicants' Plans for the Domestic Insurer

19. After the Proposed Acquisition closes, how will the Domestic Insurer ensure the confidentiality of sensitive data in its possession relating to U.S. citizens, such as personally identifiable information?

- A. Genworth and the Domestic Insurer recognize that it is of critical importance to maintain the confidentiality of personally identifiable information after the Proposed Acquisition. To that end, Genworth and China Oceanwide Holdings Group Co. Ltd. have entered into a confidential mitigation agreement (which I will refer to as the "Mitigation Agreement") with the U.S. government to ensure that such information is used only for intended purposes.

After a lengthy review period, the Committee on Foreign Investment in the United States (which I will refer to as "CFIUS") concluded that there are no unresolved national security concerns with respect to the Proposed Acquisition. The major components of the Mitigation Agreement are (i) transfer of control over Genworth's data center and IT infrastructure to a new third-party service provider that is independent from the Applicants and Genworth; (ii) maintaining complete logical and physical separation of Genworth's data centers and IT infrastructure from the Applicants; (iii) enhanced access and control limitations; and (iv) modification of the composition of the Board after the Proposed Acquisition. The agreement transferring control of Genworth's data centers and IT infrastructure has been entered into with the third-party service provider, and is ready to be implemented immediately after closing. In addition, the Board will include three national security directors, who will be required to be U.S. citizens, have no prior relationship with the Applicants or Genworth, hold or be eligible to hold a Top Secret security clearance, and be approved by CFIUS. The three national security directors who have been vetted and approved by CFIUS are Mr. Eric Rosenbach; Lieutenant General Karen Dyson (retired); and General Raymond Odierno (retired). After the closing, the Board will not convene unless at least two of the three national security directors are present. Mr. Apostle, Chief

Compliance Officer and Security Officer of Genworth, will testify as to this issue in greater detail.

20. After the Proposed Acquisition, do you expect the Applicants to remain committed to Genworth's business and policyholders?

- A. Yes. The Applicants have expressed their commitment to Genworth, the Domestic Insurer, Genworth's leadership team and employees, and Genworth's LTC, life and annuity, and mortgage insurance businesses. The Applicants do not plan to make any material changes to the business or management of any of Genworth's insurers, including the Domestic Insurer, except for (1) cessation of writing of new LTC business at the Domestic Insurer, which would occur with or without the Proposed Acquisition, and (2) potentially writing new LTC and life insurance and annuity business out of Genworth Insurance Company (which I will refer to as "Newco"), an insurance company domiciled in North Carolina that was acquired by Genworth on April 1, 2017, if Genworth decides to do so, and only if Newco is adequately capitalized and licensed for such purpose. Without the successful completion of the Proposed Acquisition, Genworth would likely no longer write new LTC policies.

Specifically, and as previously discussed, the Applicants are committed to continuing Genworth's current plans to resolve the issues inherent in its LTC business. Genworth will continue to focus on its key operational priorities, most notably executing its multi-year LTC rate action plan. The Applicants believe a healthy U.S. LTC market is a long-term priority for all stakeholders, and that Genworth is best positioned to drive the creation of that revitalized marketplace and to continue to be an industry leader in providing solutions for the seniors' market. The Applicants also place substantial value on the ongoing operations of Genworth's mortgage insurance business, both in the U.S. and internationally. The Applicants intend to operate the businesses in a manner consistent with Genworth's current strategy. The Applicants also see value in being a provider of life and annuity products in the U.S. and are interested in exploring opportunities to restart sales of these products to the extent the Genworth insurers are able to achieve ratings improvements over time.

Finally, the Applicants view the management and employees of Genworth as a critical component of their interest in the Proposed Acquisition and have placed a significant value on the ability to retain Genworth's leadership team. After the Proposed Acquisition, the Applicants plan to keep all of Genworth's current leadership in place and in the U.S.

In short, the Applicants are committed to the ongoing success of Genworth and will support its businesses and policyholders after the consummation of the Proposed Acquisition.

21. In light of the Applicants' intention to develop an LTC business in China, are you concerned that Genworth resources and personnel will be diverted to the Applicants' Chinese endeavors, with the result being inadequate attention and resources for Genworth's U.S. LTC business?

A. No. The Applicants are committed to stabilizing Genworth's U.S. LTC business and, specifically, executing its multi-year LTC rate action plan, which is essential to stabilizing the financial position of Genworth's legacy LTC business. The Applicants would not make such a significant investment in Genworth only to neglect one of its principal blocks of business. Moreover, the Applicants recognize the potential of the underserved U.S. LTC market. Intending to capitalize on this market need, the Applicants intend to expand Genworth's LTC business, not abandon it.

Genworth and the Applicants will evaluate the opportunities to provide LTC and mortgage insurance in China in the future. It is too early to know if these opportunities warrant entering the Chinese market. However, should the Applicants and Genworth decide to pursue opportunities in China, Genworth would expect to hire a separate management team in China to develop and operate the business in that market. However, no assets of the Domestic Insurer or Genworth will be transferred to China as a result of these plans or the Proposed Acquisition.

F. Other Issues

22. Are you aware of a recent class action filed in the Delaware Court of Chancery against Genworth, the Domestic Insurer and certain other affiliates?

A. Yes.

23. Have the defendants filed a response to the complaint?

A. Yes, a motion to dismiss has been filed and a briefing schedule has been set. Defendants strongly reject the allegations and will vigorously oppose the claims. While I am limited in what I can say about pending litigation, I note that a complaint alleging similar claims was filed in a Virginia federal court, but was voluntarily dismissed after defendants filed a motion to dismiss.

24. What diligence did Genworth perform on the Applicants before agreeing to an acquisition by the Applicants?

A. As part of the Proposed Acquisition review process, Genworth and its financial advisors (including Goldman Sachs and Lazard), conducted due diligence on the Applicants, including confirming the Applicants' interest in and ability to consummate an acquisition of Genworth. The due diligence exercises, among other things, included in-person interviews of principals of the Applicants in

Beijing, China and review of the Applicants' ownership, financial statements and sources of funding information. Moreover, as part of the regulatory review process, the Applicants engaged PriceWaterhouseCoopers, an internationally recognized auditing firm, to prepare an unaudited reconciliation of key financial metrics for certain of the Applicants from Chinese GAAP to International Financial Reporting Standards to U.S. GAAP. These metrics were provided for fiscal years ended 2015, 2016, and 2017. This was all part of the Applicants' efforts to provide additional financial transparency to regulators as part of the review process.

Genworth also engaged three outside firms to conduct due diligence reviews on the following Applicants or related persons: Chairman Lu, Huang Qiongzi, Lu Xiaoyun, China Oceanwide, Oceanwide Holdings, Wuhan, Oceanwide Group, Tohigh Holdings Co. Ltd., Asia Pacific Global Capital Co., Ltd. and Oceanwide Capital Investment Management Group Co. Ltd. (which I refer to as the "Oceanwide Participants"). The firms verified the corporate existence of the Oceanwide Participants that are entities. They also performed searches regarding the Oceanwide Participants through databases such as national sanctions lists, watch lists, "blacklists" and the like relating to corruption, money laundering, sanctions, terrorist financing and political exposure, the World Compliance database and the Dow Jones Risk & Compliance database. The investigation did not uncover any facts that gave Genworth concern regarding the operations, legality, reputation or trustworthiness of the Oceanwide Participants.

The objective of the research work performed by Genworth and its advisors was to evaluate whether the Applicants would be able to satisfy the informational and other requirements applied by the applicable U.S. and non-U.S. regulators to persons seeking to acquire control of insurance companies. Nothing uncovered in the course of this due diligence caused Genworth or its advisors to question the Applicants' suitability and ability to satisfy the requirements to acquire control of Genworth.

Since entering into the Merger Agreement, Genworth's investment team has continued to monitor and analyze available financial information about the Oceanwide Participants to ensure that they continue to have the financial capability to complete the Proposed Acquisition.

25. Is it possible for the Applicants to access Genworth for its profitable assets, leaving only its liabilities in the United States?

- A. No, not at all. Genworth's insurance subsidiaries are all subject to strict financial oversight by the various state insurance regulators, which restricts the Applicants' access to Genworth assets, requires the insurers to comply with detailed regulations regarding the quality and nature of their investments, and prescribes minimum regulatory capital requirements. Further, the Domestic Insurer does not pay any regular dividends, and I understand that any extraordinary dividend could

not be declared without the Department's prior approval. Also, under the Delaware insurance holding company laws and regulations, the Department reviews and approves in advance certain material transactions and agreements between the Domestic Insurer and its affiliated entities, which will include the Applicants and their subsidiaries after the completion of Proposed Acquisition.

G. Conclusion

26. The Merger Agreement must be approved by the Genworth shareholders. Has the shareholder meeting taken place?

- A. Yes. A stockholder meeting was held on March 7, 2017, at which the Merger Agreement was approved by the requisite vote of Genworth's shareholders.

27. Who will be paying the expenses associated with the Proposed Acquisition?

- A. Pursuant to the Merger Agreement, any expenses associated with the Proposed Acquisition will be paid by the party which incurred them. However, no deal expenses have been allocated to the Domestic Insurer, and none of the Domestic Insurer's funds will be used to pay for transaction expenses.

28. Assuming approval by the Delaware Department of Insurance, when do you anticipate closing the Proposed Acquisition?

- A. Genworth understands that the Applicants plan on closing the Proposed Acquisition as soon as possible following receipt of required regulatory approvals but not later than year-end 2018.

29. Do you believe the Proposed Acquisition is in the best interests of the Domestic Insurer's policyholders?

- A. Yes. For all the reasons I have just described, I believe the Proposed Acquisition is in the best interests of the Domestic Insurer's policyholders.

30. Is there anything else you would like to add?

- A. Yes. I would like to thank the Hearing Officer for his time, consideration and review of this matter. I would also like to thank the Department and its advisors for their attention to this matter and for their diligence in reviewing the Form A Statement. I would also respectfully request at this time that the Department approve the Proposed Acquisition as described here today and in the Form A Statement. Genworth and the Domestic Insurer look forward to continuing to work with the Department following completion of the Proposed Acquisition.

EXHIBIT 8

**HEARING ON APPLICATION FOR ACQUISITION OF CONTROL OF
OR MERGER WITH A DOMESTIC INSURER**

Before the Commissioner of Insurance of the State of Delaware

Application of Mr. Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide Capital Investment Management Group Co., Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh Holdings Development Limited; Tonghai International Group Investment Limited; Asia Pacific Global Capital Co., Ltd.; Asia-Pacific Universe Investment (Hong Kong) Limited; Asia Pacific Insurance Holdings Limited; Asia Pacific Global Capital Limited; and Asia Pacific Insurance USA Holdings LLC (collectively, the “Applicants”) for the Acquisition of Control of or merger with Genworth Life Insurance Company.

Date: November 23, 2018

TESTIMONY OF XIAOXIA ZHAO

A. Introduction

1. Please state your full name, business address, current employer and position.

A. My full name is Xiaoxia Zhao. I am a Director and General Manager of Asia Pacific Global Capital Co., Ltd. (which I will refer to as “Asia Pacific”). I am also a Director of Oceanwide Holdings Co., Ltd. (which I will refer to as “Oceanwide Holdings”) and a Director of Wuhan CBD Development & Investment Co., Ltd. (which I will refer to as “Wuhan”). My business address is: 22nd Floor, Tower C, Minsheng Financial Center, 28 Jianguomennei Avenue, Beijing, 100005, People’s Republic of China.

2. Please describe your educational and career background prior to joining the China Oceanwide corporate group.

A. I graduated with a bachelor’s degree in law in 1985 from Beijing University. Since then, I have held various positions in the insurance and finance sectors.

Prior to becoming Director of Oceanwide Holdings in February 2015, I was the Senior Vice President of ACR Capital Holdings Pte Ltd. from 2012 to 2015. Before that, I was the Managing Director of PSF Consultants Co., Ltd. from 2011 to 2012. I was the CEO and President of Haier New York Life Insurance Company Limited from 2007 to 2010. From 1998 to 2006, I was an Executive Vice President of AXA-Minmetals Assurance Co., Ltd. I served as Director and General Manager at Huatai Insurance Brokers Co., Ltd. from 1993 to 1998.

3. Please tell us your purpose for being here today.

A. I am here today on behalf of the Applicants in connection with the proposed acquisition of control of Genworth Life Insurance Company (which I will refer to as the “Domestic Insurer”) by the Applicants.

By "Applicants" I refer to the following: Mr. Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings; Oceanwide Capital Investment Management Group Co., Ltd.; Wuhan; Tohigh Holdings Development Limited; Tonghai International Group Investment Limited; Asia Pacific; Asia-Pacific Universe Investment (Hong Kong) Limited; Asia Pacific Insurance Holdings Limited; Asia Pacific Global Capital Limited; and Asia Pacific Insurance USA Holdings LLC.

The ultimate controlling party after the transaction is Mr. Zhiqiang Lu (whom I will refer to as "Chairman Lu").

As set forth in the Agreement and Plan of Merger, dated October 21, 2016, as supplemented through the date hereof (which I will refer to as the "Merger Agreement"), by and between Asia Pacific, Asia Pacific Global Capital USA Corporation (which I will refer to as "Merger Sub"), and Genworth Financial, Inc. (which I will refer to as "Genworth"), the Applicants propose to acquire control of the Domestic Insurer by acquiring 100% of the common stock of Genworth (which I will refer to as the "Proposed Acquisition"). The Proposed Acquisition will be effected through the merger of the Merger Sub with and into Genworth, with Genworth surviving the merger (which I will refer to as the "Merger"). The precise mechanics of the Proposed Acquisition are described in greater detail in the Amended and Restated Form A statement submitted to the Delaware Department of Insurance (which I will refer to as the "Department") on May 24, 2018, and supplemented on September 6, 2018, September 27, 2018, and October 26, 2018 (which I will refer to jointly as the "Form A Statement").

4. What topics will you testify about today?

- A. I will discuss background information about the Applicants, the Proposed Acquisition and the associated benefits, the Applicants' plans for the Domestic Insurer's business after the closing of the Proposed Acquisition, and how the acquisition of control of the Domestic Insurer meets the Form A statutory standards for approval.

5. Please summarize the Applicants' reasons for pursuing the Proposed Acquisition and the consequences of the Proposed Acquisition for Genworth.

- A. In summary, the Proposed Acquisition is part of Chairman Lu's ongoing targeted expansion of his strategic business portfolio into the financial services and insurance industries. More specifically, Chairman Lu, through his main diversified financial holding company, China Oceanwide Holdings Group Co., Ltd. (which I will refer to as "China Oceanwide"), is committed to building a globally diversified insurance operation. The acquisition of Genworth is a critical element in advancing this objective given Genworth's strong foundation in the mortgage insurance and life insurance and annuity markets, and long-term care insurance (which I will refer to as "LTC") market. The Applicants recognize the potential of the underserved U.S. LTC market and, while they appreciate the significant challenges faced by U.S. LTC writers, the Applicants expect the need and demand for LTC products to continue to grow due to the aging U.S.

population. The Proposed Acquisition will also provide the Applicants with the opportunity, in future years, to leverage Genworth's knowledge of the LTC market to grow this line of business in China, while continuing to support the acquired businesses.

The Proposed Acquisition is intended to strengthen Genworth, allow Genworth to retain its intellectual capital, decrease the need for cost cutting measures, and decrease rates of employee attrition. The Applicants strongly believe that building and diversifying Genworth's U.S. and international operations and facilitating expansion into new markets will improve Genworth's viability and competitive position. With a strengthened Genworth, the Domestic Insurer will be able to maintain its commitment to high standards of policyholder servicing, and Genworth can continue to pursue its current business strategy for its LTC businesses, including its thought leadership in the LTC market, all of which will benefit the enterprise, including the Domestic Insurer and its policyholders.

Genworth will benefit from the Proposed Acquisition because the Applicants are invested in Genworth's long-term success. For example, as part of the Proposed Acquisition, Genworth will receive a \$1.5 billion capital contribution to further improve Genworth's financial stability, which could include retiring Genworth's debt, due in 2020 and 2021, or enabling future growth opportunities.

With respect to the Domestic Insurer, Genworth and the Applicants have agreed that Genworth Holdings, Inc. (which I will refer to as "Genworth Holdings"), or one of its affiliates, will contribute \$175 million to the Domestic Insurer. This \$175 million previously had been committed by Genworth to be used as partial consideration for unstacking Genworth Life and Annuity Insurance Company (which I will refer to as "GLAIC") from the Domestic Insurer, which the parties decided not to pursue. The \$175 million will be contributed in three equal tranches, with the first contribution completed before the end of March 2019, the second contribution completed before the end of September 2019, and the final contribution completed by the end of January 2020.

In addition, GLAIC, a Virginia-domiciled insurer and subsidiary of the Domestic Insurer, will purchase a 7.25% unsecured promissory note issued by Genworth Holdings, as maker and payable to the Domestic Insurer, in the principal amount of \$200 million and due March 31, 2020. As consideration for the purchase of the note, at the closing of the Proposed Acquisition, GLAIC will pay to the Domestic Insurer an amount in cash equal to the fair market value of the note, which amount will be no less than \$200 million and no more than \$205 million, plus accrued and unpaid interest.

As a result of the contribution of the \$175 million from Genworth Holdings, or one of its affiliates, and the receipt of at least \$200 million from the purchase by GLAIC of the Genworth Holdings note, the Domestic Insurer will have improved capital by \$175 million and liquidity by \$375 million. The cash injections meaningfully improve the Domestic Insurer's liquidity and capital and surplus immediately after the closing, which benefits the Domestic Insurer and its policyholders.

Additionally, a strengthened Genworth enterprise will ultimately be to the benefit of the Domestic Insurer's policyholders. By improving Genworth's financial position, the Proposed Acquisition will enable Genworth to retain its intellectual capital, decrease the need for cost cutting measures, and decrease rates of employee attrition. This, in turn, will enable the Domestic Insurer to maintain its commitment to high standards of policyholder servicing, to pursue its LTC rate action plan, and to continue its thought leadership in the LTC market by supporting product innovation and sponsoring LTC studies, symposia, research, and training. Moreover, by taking Genworth private, the Proposed Acquisition will allow a greater focus on long-term strategies without being a public company operating under the pressures of quarterly earnings reporting.

6. Have you been authorized by the Applicants to speak on their behalf at this hearing?

A. Yes, I have been authorized by each of the Applicants to give this testimony.

B. Background Regarding the Parties to the Proposed Acquisition

7. Are you generally familiar with the Applicants and their respective business activities?

A. Yes.

8. Please describe the Applicants' business activities.

A. Chairman Lu, the ultimate controller of the other Applicants, is an experienced high-net-worth Chinese investor with a portfolio of diversified financial holding companies, including China Oceanwide, whose investments focus on financial services, real estate, energy, culture & media, and other strategic sectors globally. Chairman Lu is ranked 73rd on Forbes' "China Rich List 2018" and 21st on Hurun's "China Rich List of 2018." China Oceanwide is the parent company of Oceanwide Holdings, Oceanwide Capital Investment Management Group Co., Ltd. (which I will refer to as "Oceanwide Capital"), and Wuhan. China Oceanwide is one of the main companies controlled by Chairman Lu, and it is where most of the business activities of the Applicant entities are conducted. For this reason, I will focus on the business activities of China Oceanwide.

China Oceanwide was incorporated in 1988. Over its 30-plus years of operation, China Oceanwide has developed into an international financial holding group with investments across a broad range of industry sectors. Recognizing the potential in Chinese real estate following housing reform, China Oceanwide focused on real estate and financial sectors in the early 1990s when it became a real estate developer in major cities in China. In 1996, China Oceanwide invested in China Minsheng Bank, the first bank in China to be primarily owned by nongovernment enterprises.

China Oceanwide continued to build on this success through diversifying its investments into other growing industries. In 2002, China Oceanwide established Minsheng Insurance Brokerage Co., Ltd., one of the first nationwide insurance brokers in China. In recent years, China Oceanwide has positioned itself to expand its insurance business. In November 2015, China Oceanwide acquired a majority equity stake in Asia Pacific

Property & Casualty Insurance Co., Ltd. (previously Minan Property & Casualty Insurance Co., Ltd.), a leading nationwide Chinese property and casualty insurer domiciled in Shenzhen, China. China Oceanwide has also sought insurance licenses for two minority-owned insurance entities within its Asia Pacific Insurance Group business: Asia Pacific Reinsurance Co., Ltd., a property, casualty, and life reinsurance company, and Asia Pacific Life Insurance Co., Ltd., a provider of life insurance online.

Today, China Oceanwide is an international financial holding group with interests in financial services, real estate, banking, trusts, insurance, energy, hotels, culture & media, technology, and other strategic investments. Headquartered in Beijing, China Oceanwide and its related companies employ more than 17,000 people globally. It is privately owned by Chairman Lu and his wife, Ms. Qiongzhi Huang, and daughter, Ms. Xiaoyu Lu.

Tohigh Holdings Co., Ltd. and Oceanwide Group Co., Ltd. (which I will refer to as "Oceanwide Group") have limited business activities of their own, including holding certain real estate assets, and their main asset consists of their shareholdings in China Oceanwide.

The other Applicants, Tohigh Holdings Development, Ltd., Tonghai International Group Investment Limited, Asia Pacific, Asia Pacific Universe Investment (Hong Kong) Limited, Asia Pacific Insurance Holdings Limited, Asia Pacific Global Capital Limited, Asia Pacific Insurance USA Holdings LLC and Merger Sub are recently formed holding companies that do not currently have any operations.

9. Please describe the Applicants, including their relevant subsidiaries, and their respective business segments.

- A. Incorporated in Beijing, China in 1988, China Oceanwide is the holding company for the China Oceanwide group of companies. As of December 31, 2017, China Oceanwide, on a consolidated basis, had total assets of approximately \$48.79 billion and total cash and cash equivalents of \$3.79 billion. It had 2017 revenues exceeding \$3.42 billion.

China Oceanwide has substantial ownership in two Chinese public companies (Oceanwide Holdings and Minsheng Holdings Co., Ltd.) and two Hong Kong listed entities (China Oceanwide Holdings Limited and China Tohigh International Financial Limited). China Oceanwide operates through branches or subsidiaries in 23 provincial Chinese cities (including Beijing, Shanghai, Shenzhen, and Hong Kong), the United States, Australia, and Indonesia. Its major assets and operations are in the financial services, real estate, energy, culture, and media industries.

Oceanwide Holdings, incorporated in 1989 in Beijing and a public company listed on the Shenzhen Stock Exchange, is a majority-owned subsidiary of China Oceanwide and accounts for the majority of China Oceanwide's consolidated assets and operations. It is principally engaged in the development and sales of properties in China, and more recently in other parts of the world, including residential and commercial properties. In recent years, Oceanwide Holdings has sought to diversify its business platforms and to

stabilize returns by expanding into financial services business, including insurance, securities brokerage, investment banking, asset management, proprietary trading, and futures. Oceanwide Holdings also indirectly owns a majority stake in China Oceanwide Holdings Limited, a publicly traded company listed on the Hong Kong Stock Exchange.

Wuhan is a direct, wholly owned subsidiary of Oceanwide Holdings and holds substantially all of Oceanwide Holdings' Chinese real estate operations and its expanding insurance operations. Wuhan is the primary subsidiary through which China Oceanwide and Oceanwide Holdings currently participate in the Chinese insurance market. This structure is set forth in more detail in the organizational chart attached as Exhibit 2(a) to the Form A Statement.

The other Applicants include:

- Tohigh Holdings Development Ltd. (which I will refer to as "Tohigh Development"), a newly formed British Virgin Islands (which I will refer to as "BVI") holding company that is directly owned 20% by Oceanwide Group and 80% by Chairman Lu in his individual capacity. Tohigh Development was incorporated in the BVI in July 2018. Tohigh Development currently has no operations.
- Tonghai International Group Investment Limited (which I will refer to as "Tonghai Investment"), a BVI holding company, was incorporated in the BVI in June 2018 and is a direct and wholly owned subsidiary of Tohigh Development. Tonghai Investment currently has no operations.

For additional information as to the Applicants, please refer to the chart located at page 3 of the supplement to the Applicants' original Form A Statement filed with the Department on September 6, 2018 and page 2 of the supplement to the Applicants' Form A Statement filed with the Department on September 27, 2018.

10. Please indicate whether any persons other than the Applicants would be within the chain of control of Genworth following the closing of the transaction.

A. All persons within the chain of control of Merger Sub, and hence Genworth post-closing, are set forth in the organizational chart attached as Exhibit 2(a) to the Form A Statement. The only persons that are not Applicants and identified in that chart are:

- Oceanwide Energy Holdings Co., Ltd. (which I will refer to as "Oceanwide Energy"). Oceanwide Energy is owned 80% by China Oceanwide and 20% by Oceanwide Group, both of which are Applicants. Oceanwide Energy holds 2.39% of Oceanwide Holdings and thus would hold less than a 3% indirect interest in Genworth following the closing.
- Beijing Oceanwide Xinhua Real Estate Co., Ltd., which is owned 100% by Oceanwide Holdings and holds 1.14% of Wuhan (another Applicant), and thus would hold less than a 2% indirect interest in Genworth following the closing.

- The public shareholders of Oceanwide Holdings. Oceanwide Holdings' common stock trades on the Shenzhen Stock Exchange and is majority-owned and controlled by China Oceanwide, which holds 67.56% of its outstanding shares, with 30.02% of the shares owned by public shareholders. The remaining 2.42% of shares are held by Chairman Lu and Oceanwide Energy.
- Ms. Xiaoyun Lu, the daughter of Chairman Lu and whom I will refer to as Ms. Lu, and Ms. Qiongzhi Huang, the wife of Chairman Lu and whom I will refer to as Ms. Huang. Each of Ms. Lu and Ms. Huang indirectly owns 11.43% of China Oceanwide, through their direct 11.43% ownership interest in Tohigh Holdings Co., Ltd., which is controlled by Chairman Lu and directly owned 77.14% by him. Ultimate control of Tohigh Holdings resides exclusively with Chairman Lu, and each of Ms. Lu and Ms. Huang have executed a Voting Agreement whereby each has irrevocably granted proxy to and appointed Chairman Lu as their proxy and attorney-in-fact for all votes, decisions or other acts relating to Genworth and its subsidiaries. Ms. Lu and Ms. Huang have signed and filed a Disclaimer of Affiliation and Control with the Department, and the Department has received a copy of the executed Voting Agreement. Accordingly, Ms. Lu and Ms. Huang will not control, and have disclaimed all control of, Genworth or its subsidiaries following the closing of the transaction.

11. Are any of the Applicants directly or indirectly owned or controlled by any government or governmental agency?

- A. The China Oceanwide corporate group is a private enterprise that is ultimately controlled by Chairman Lu. Certain state-owned companies own minority interests in Oceanwide Holdings' shares, purchased in the public markets, but these stakes are insignificant and confer no special vote or control. Chairman Lu and his immediate family members are not government officials, and China Oceanwide and its affiliates are not entitled to and do not receive any government subsidies or sovereign immunity. As noted, one of the Applicants, Oceanwide Holdings, is a public company with its shares listed and traded on the Shenzhen Stock Exchange. China Oceanwide is not aware of any Chinese government entity owning any shares in Oceanwide Holdings other than an aggregate of 3.99% of shares held by two PRC state-owned companies. This information is based on "top shareholder" lists as of June 2018 from an authorized PRC securities registration and clearance institution, identifying shareholders owning in excess of 0.84% of Oceanwide Holdings. All shares owned by these entities are part of the publicly traded shares of Oceanwide Holdings, and do not entail any rights other than those given to all of Oceanwide Holdings' public shares.

12. Please describe the Applicants' business strategy.

- A. Three business principles have guided Chairman Lu's overall investment strategy, and those same principles have enabled China Oceanwide's growth for over 30 years. These principles include: (i) carefully review and follow macro trends; (ii) operate in an ethical manner in compliance with applicable laws; and (iii) share success with the society.

Chairman Lu focuses on long-term “buy-and-hold” investments, carefully selected based on industry potential, project-specific characteristics, and the expertise of the target investment’s existing management team.

In 2014, Chairman Lu established a targeted plan for China Oceanwide to enhance its operations and transform itself into an integrated, multinational corporation within 10 years.

The Proposed Acquisition fits squarely within China Oceanwide’s targeted plan. China Oceanwide is strategically expanding into the insurance sector in China and globally. The acquisition of Genworth will serve to introduce China Oceanwide to the U.S. insurance market. It is also consistent with China Oceanwide’s efforts to diversify its assets. China Oceanwide intends to continue to operate Genworth substantially as it is currently operated and will retain its current management team.

13. Do the Applicants have sufficient financial strength to complete the Proposed Acquisition?

- A. Yes. As shown in the financial statements submitted to the Department, the Applicants have substantial financial resources. For example, China Oceanwide, where most of the business activities of the Applicant entities are conducted, on a consolidated basis, had total assets of approximately \$48.79 billion, total cash and cash equivalents of \$3.79 billion, and annual revenues exceeding \$3.42 billion as of and for the year ended December 31, 2017.

Under the Contingent Funding Structure, to the extent necessary or advisable, one or more bridge loans would be entered into by Tohigh Development, an affiliate of China Oceanwide, or its affiliates to fund part of the aggregate merger consideration.

14. Is the Applicants’ financial condition sufficiently strong to service their debt?

- A. Yes. Until recently, China Oceanwide’s investments have primarily been in the real estate sector, which by nature operates with a high debt-to-equity ratio in part because real estate typically is acquired in significant part with debt secured by the underlying real estate.

Also, China Oceanwide carries real estate inventory at cost on its balance sheet. Third-party valuation analyses indicate that these real estate assets have appreciated considerably from cost. China Oceanwide’s current debt-to-equity ratio would be significantly lowered, to 60% if these assets were carried at current market values. As China Oceanwide continues to diversify away from the real estate business, it expects its debt-to-equity ratio to improve over time.

In recent years, China Oceanwide has expanded into the financial services industry, including the insurance industry. China Oceanwide’s subsidiaries in the financial services industry are all heavily regulated and operate at much lower debt ratios that are

generally consistent with the industry average. As this part of China Oceanwide's business grows, it is expected that China Oceanwide's overall debt-to-equity ratio will decrease in the future.

15. Have the Applicants generated positive cash flows in recent years?

- A. Sometimes yes, and sometimes no, but this is to be expected. As is often the case with real estate investors, China Oceanwide's annual net cash flows vary from year to year depending upon various factors, particularly the level of new acquisitions, the status of in-development projects, and the amount, if any, of any asset sales. China Oceanwide has significant cash outflows in the form of upfront investments in its real estate projects, while its cash inflows depend heavily on bringing new developments to market and the timing of real estate asset dispositions. This can create variances in its cash flows from year to year. Further, China Oceanwide has undergone a strategic expansion into the financial services industry in recent years. It is not uncommon for a company that is in the growth and investment mode to have negative cash flows. However, given the size of its balance sheet and access to capital, the China Oceanwide corporate group is able to withstand these variations in cash positions, and China Oceanwide expects significant near term opportunities to generate cash through strategic asset sales as it diversifies its business away from real estate. In fact, China Oceanwide's operating cash flow was positive for the first half of the 2018 fiscal year. It expects operating cash flow to be positive the full 2018 fiscal year and continue to improve in the next few years. Currently, China Oceanwide's ready-for-sale real estate portfolio, consisting of real estate in liquid markets such as Beijing, Shanghai and Wuhan, is valued at over \$5 billion. China Oceanwide expects to sell this portfolio of assets by early 2020. Also, over the next year or so, consistent with transitioning its primary business from real estate to financial services, China Oceanwide has planned dispositions of approximately \$1.5 billion of energy infrastructure assets such as power plant projects in Indonesia and China. Furthermore, China Oceanwide expects its more recent large real estate projects, such as Oceanwide Plaza in Los Angeles, to be completed and turn cash-flow positive beginning in 2020.

China Oceanwide also expects that its recent investments in financial services businesses will, over time, enhance its overall cash flows and lessen cash-flow variability year to year.

In aggregate, China Oceanwide expects more than \$7 billion of cash inflow by early 2020.

16. Are the criticisms of the financial condition of the Applicants alleged in the letter from Hindenburg Research, LLC to the Department, dated November 20, 2018 accurate?

- A. Not at all. As I stated above, China Oceanwide is not in poor financial condition. It is a healthy company that is fully capable of completing the Proposed Acquisition. China Oceanwide does not have "unsustainable" levels of debt, but rather debt levels typical of a real estate investor, lower than many of its peers, and levels that are expected to

decrease significantly in the near future. Finally, China Oceanwide is not facing any liquidity shortage. As detailed above, China Oceanwide's operating cash flow is positive in the current year and expected to improve significantly in the next few years.

17. The Hindenburg letter also cites the fact that the Applicants have pledged subsidiaries' shares to lenders as evidence that their financial condition is endangered. Is that accurate?

A. No. Because the Chinese financing markets are not as mature as those in other countries, unsecured borrowings are less common. As a result, borrowers in the Chinese market are commonly required to pledge assets, including equity in their subsidiaries, as collateral. Doing so is not a sign of financial difficulty.

18. Finally, the Hindenburg letter alleges that China Oceanwide's working capital is misstated and insufficient. Is that criticism correct?

A. Not at all. China Oceanwide's working capital levels are sufficient to support its near-term operations, as reflected in its financial statements, which have been audited and prepared in accordance with Chinese accounting and auditing standards.

19. Do the Applicants plan to extract Genworth's assets to meet their upcoming debt obligations as alleged in the letter from Hindenburg Research, LLC to the Department, dated November 20, 2018?

A. No. The Applicants do not intend to access Genworth's insurance subsidiaries' assets. The Applicants also understand that Genworth's insurance subsidiaries are all subject to strict financial oversight by the various state insurance regulators, which restricts the Applicants' access to Genworth assets, requires the insurers to comply with detailed regulations regarding the quality and nature of their investments, and prescribes minimum regulatory capital requirements. Further, the Domestic Insurer does not pay any regular dividends, and I understand that any extraordinary dividend could not be declared without the Department's prior approval.

20. Please describe the Domestic Insurer.

A. The Domestic Insurer was a pioneer in the development of LTC products and is the U.S.'s largest long-term care insurer. The Domestic Insurer is an indirect wholly owned subsidiary of Genworth, a publicly traded insurance holding company incorporated in the State of Delaware. Genworth's common stock trades on the New York Stock Exchange under the ticker symbol "GNW."

21. Is the Proposed Acquisition the Applicants' first business activity in the United States?

A. No. Chairman Lu's portfolio of strategic business investments includes assets in a number of jurisdictions. In the United States, China Oceanwide has real estate investments in New York, California, and Hawaii. In 2017, it also completed its

acquisition of International Data Group Inc., a Massachusetts-based media, data and marketing services and venture capital organization.

C. The Proposed Acquisition

22. Mr. Zhao, are you familiar with the transaction by which the Applicants propose to acquire control of the Domestic Insurer?

- A. Yes, I am familiar with the Proposed Acquisition. In my capacity as Director of Oceanwide Holdings and Director and General Manager of Asia Pacific, I was personally involved in negotiating the Proposed Acquisition. I have reviewed the Form A Statement submitted to the Department.

23. Please describe in general terms the Proposed Acquisition pursuant to which the Applicants will acquire control of the Domestic Insurer.

- A. Under the Proposed Acquisition, the Applicants will directly or indirectly acquire all of the common stock of Genworth, and thus control of the Domestic Insurer, and also indirectly acquire a Delaware captive insurer, River Lake Insurance Company VI. The Applicants will pay approximately \$2.7 billion as consideration for Genworth's outstanding capital stock, and, over time after the acquisition, will make a capital contribution of \$1.5 billion to Genworth to further improve Genworth's financial stability, which could include retiring Genworth's debt, due in 2020 and 2021, or enabling future growth opportunities. Each Genworth stock option, stock appreciation right, restricted stock unit award, performance unit award, right to acquire or receive shares of Genworth common stock, or benefits measured by the value of shares of Genworth common stock that is outstanding immediately prior to the Merger will be automatically converted into the right to receive cash based on the merger per share price, as outlined in more detail in the Merger Agreement.

24. Please describe the source of the funds that will be used for the Proposed Acquisition.

- A. The Form A Statement describes the original funding structure (which I will refer to as the "Original Funding Structure"), which consists of all mainland China entities as funding sources, and a contingent funding structure (which I will refer to as the "Contingent Funding Structure") for the Proposed Acquisition. Due to international economic and political developments, including Chinese foreign exchange controls, the Applicants may fund the approximately \$2.7 billion aggregate merger consideration to be paid at closing of the Proposed Acquisition through the Contingent Funding Structure, which includes funding sources that are outside mainland China.

Under the Original Funding Structure and the Contingent Funding Structure, entities controlled by Chairman Lu would provide 100% of the required equity funding for the aggregate merger consideration in the form of equity contributions to Asia Pacific and, in the case of the Contingent Funding Structure, also its affiliate, Asia Pacific Insurance Holdings Limited (which I will refer to as "Asia Pacific Insurance"). Under the

Contingent Funding Structure, in addition to equity funding, one or more bridge loans may also be used to fund a portion of the merger consideration.

Under the Original Funding Structure, the entirety of the aggregate merger consideration would be funded by equity funding sourced from mainland China entities, with the respective percentage shares of such equity funding being equal to 40% for China Oceanwide, 35% for Oceanwide Capital and 25% for Wuhan. Under the Original Funding Structure, Chairman Lu would indirectly own 71.22% of the Domestic Insurer following the Merger, while Ms. Huang and Ms. Lu would each indirectly own 10.55% of the Domestic Insurer following the Merger.

Under the Contingent Funding Structure, approximately 35% of the aggregate funding would continue to be provided by the above-mentioned mainland China entities in the form of equity contributions to Asia Pacific, in the same relative proportions. The remaining 65% would be funded by Chairman Lu and Oceanwide Group through Tohigh Development and Tonghai Investment, two entities incorporated in the BVI and controlled by Chairman Lu. These two BVI entities are recently formed holding companies jointly owned by Chairman Lu and Oceanwide Group.

Thus, the Contingent Funding Structure is bifurcated into two funding channels:

- In the first “channel,” subject to approval by relevant Chinese regulatory authorities, approximately \$945 million, or 35%, of the aggregate merger consideration, would be funded through Asia Pacific by means of cash contributions from each of China Oceanwide, Oceanwide Capital, and Wuhan. As indicated in the Form A Statement, each of Wuhan, China Oceanwide and Oceanwide Capital is consolidated into Oceanwide Group which, through its direct and indirect subsidiaries, has sufficient cash, cash equivalents, and available-for-sale financial assets on its balance sheet to cause such cash contributions to be made.
- The second “channel” involves offshore entities based outside of mainland China. Under this channel, approximately \$1.755 billion, or 65%, of the aggregate merger consideration, would be funded through Asia Pacific Insurance by Tonghai Investment. Tonghai Investment is directly owned by Tohigh Development. Tohigh Development is directly owned 20% by Oceanwide Group and 80% by Chairman Lu in his individual capacity.

Under this funding structure, Chairman Lu would indirectly own 87.02% of the Domestic Insurer following the Merger, and Ms. Huang and Ms. Lu would each indirectly own 5.19% of the Domestic Insurer following the Merger. The minority public shareholders of Oceanwide Holdings would hold the remaining 2.60%.

25. Will there be any borrowing or acquisition debt involved in the Proposed Acquisition?

- A. There may be. One or more bridge loans may be entered into by Tohigh Development or its affiliates in the event the Contingent Funding Structure is used. In the event Tohigh Development borrows under bridge loans, its obligations under such loans would be guaranteed, or secured by a pledge of assets owned, by Oceanwide Group and/or its affiliates, and such loans would be repaid through the assets and earned income of Oceanwide Group and its affiliates.

Under no circumstances would interests in Genworth, or any of its subsidiaries, be used as security for any bridge loan, and repayment of the loans would not depend on any future dividends from Genworth or any of its subsidiaries.

26. Please describe any contributions to be made by the Applicants or their affiliates to Genworth or its affiliates in connection with the Proposed Acquisition in addition to the \$2.7 billion merger consideration.

- A. In addition to the \$2.7 billion cash merger consideration to be paid to Genworth stockholders, the Applicants have agreed to make, or cause certain of their affiliates to make, capital contributions totaling approximately \$1.5 billion in the aggregate to Genworth between the consummation of the Merger and March 31, 2020, subject to (i) the occurrence of the closing of the Proposed Acquisition and (ii) any governmental filings or approvals with respect to such capital contributions. This contribution will be used to further improve Genworth's financial stability, which could include retiring Genworth's debt, due in 2020 and 2021, or enabling future growth opportunities.

Also, as I described earlier, Genworth and the Applicants have agreed that Genworth Holdings, or one of its affiliates, will contribute \$175 million to the Domestic Insurer, to be completed by the end of January 2020.

Additionally, GLAIC will purchase from the Domestic Insurer a 7.25% unsecured promissory note issued by Genworth Holdings to the Domestic Insurer in the principal amount of \$200 million and due March 31, 2020. As consideration for the purchase of the note, at the closing of the Proposed Acquisition, GLAIC will pay to the Domestic Insurer an amount in cash equal to the fair market value of the note which amount will be no less than \$200 million and no more than \$205 million, plus accrued and unpaid interest.

27. How will the \$175 million capital contribution from Genworth Holdings, or one of its affiliates, and purchase of the Genworth Holdings note by GLAIC affect the Domestic Insurer's liquidity and capital and surplus?

- A. As a result of the contribution of the \$175 million from Genworth Holdings, or one of its affiliates, and the receipt of at least \$200 million from the purchase by GLAIC of the Genworth Holdings note, the Domestic Insurer will have improved capital by \$175

million and liquidity by \$375 million. The cash injections meaningfully improve the Domestic Insurer's liquidity and capital and surplus immediately after the closing, which benefits the Domestic Insurer and its policyholders.

D. Purpose of the Proposed Acquisition

28. Mr. Zhao, what are the Applicants' reasons for the Proposed Acquisition?

- A. The Applicants believe that the Proposed Acquisition will have several benefits for the Applicants, Genworth, and the Domestic Insurer.
- The Proposed Acquisition will be a critical step for the Applicants towards building a globally diversified insurance operation. The Applicants will expand into the U.S., Australian, Canadian, and certain other LTC and mortgage insurance markets through ownership of Genworth, a respected industry leader.
 - The Applicants recognize the value of the LTC and mortgage insurance markets in the U.S. and the potential for expansion of such products abroad. Despite the losses experienced on Genworth's legacy LTC blocks, the Applicants view LTC products as critical in the American marketplace and expect the need for these products to double between 2010 and 2050. The Applicants want to continue servicing this need and believe that Genworth's ability to do so will be enhanced by the Proposed Acquisition. The Applicants believe Genworth, the LTC market leader, is best positioned to anticipate and meet the needs of aging Americans. Looking further into the future, the Applicants eventually plan to leverage Genworth's knowledge of the LTC market and mortgage insurance markets to offer LTC and mortgage insurance products in China.

E. Plans for the Domestic Insurer

29. Mr. Zhao, what are the Applicants' plans for the Domestic Insurer?

- A. The Applicants do not intend to change any of Genworth's current plans for the Domestic Insurer. The Domestic Insurer's leadership, business plan, and conduct of business, including management practices and established risk management guidelines, will be unchanged at the closing of the Proposed Acquisition. The Domestic Insurer will continue its current operations independently following the Proposed Acquisition. However, as discussed further below, the Domestic Insurer will eventually cease writing new business and be subject to a mitigation plan (which I will refer to as the "Mitigation Agreement") with the U.S. government entered into in connection with the Committee on Foreign Investment in the United States' (which I will refer to as "CFIUS") review of the Proposed Acquisition, which is designed to protect policyholders' personally identifiable information.

The Applicants will oversee the Domestic Insurer through membership on Genworth's Board of Directors (which I will refer to as the "Board") and periodic reporting. The Applicants do not currently plan to: substantially change the Domestic Insurer's

operations; cause the Domestic Insurer to pay dividends; liquidate the Domestic Insurer; sell its assets, other than the previously discussed intercompany note sale; or merge the Domestic Insurer with any person(s).

In addition, after the closing of the Proposed Acquisition, Genworth may write new LTC and life and annuity business out of Genworth Insurance Company, an insurance company domiciled in North Carolina that was acquired by Genworth on April 1, 2017 (which I will refer to as “Newco”), but only if Newco is adequately capitalized and licensed to do so.

The Applicants will maintain Genworth’s focus on key operational priorities in the LTC business and continue to implement the multi-year LTC rate action plan described in Mr. McNerney’s testimony. As described further in Mr. McNerney’s testimony, successfully executing on the LTC rate action plan is critical to the Domestic Insurer’s ability to continue to pay claims in the future.

30. Will many aspects of the Domestic Insurer’s operations continue unchanged as a result of the Proposed Acquisition?

- A. Yes. With the exception of certain operational changes designed to protect the Domestic Insurer’s policyholder data, as approved and required by CFIUS as discussed below, the Applicants plan for all of the Domestic Insurer’s operations to continue in their current facilities under existing management after the Proposed Acquisition. The Genworth insurance subsidiaries currently plan to continue to remain licensed in the states where they are currently licensed. The Applicants do not anticipate any changes to Genworth’s claims management process as a result of the Proposed Acquisition. Existing policy terms and conditions will not change, and all of the policy and contract servicing for the Domestic Insurer’s products, including decisions about claim eligibility and payment will continue to be made by the Domestic Insurer in the local market. The Applicants have no plans to divert Genworth personnel to their Chinese endeavors, nor do they have any plans to relocate management for such purposes.

31. What changes in management will occur as a result of the Proposed Acquisition?

- A. No changes in management will occur as a result of the Proposed Acquisition. Current management will continue operating Genworth’s respective businesses. No employees or facilities of Genworth, or the Domestic Insurer, will be relocated or transferred, except for certain employees who will transfer their employment to a third-party service provider based in the U.S. as part of the Domestic Insurer’s commitment to protecting its policyholder data and pursuant to the Mitigation Agreement with the U.S. government, as described further in the testimony of Mr. Apostle.

The Domestic Insurer will operate independently with oversight from the Applicants through Genworth’s Board, which will consist of nine directors, the composition of which is as follows. First, three directors, constituting one-third of the Board, will represent the Applicants. Second, Genworth’s current CEO, Mr. McNerney, will

continue to serve as a management director. Third, two current Genworth independent directors, with knowledge and experience in insurance, will continue to serve as independent directors. The independent directors are U.S. citizens and have been approved by CFIUS. Finally, three national security directors have been chosen specifically for their national security expertise. As required by CFIUS, the national security directors are U.S. citizens, have no prior relationship with the Applicants or Genworth, hold a Top Secret security clearance, and have been approved by CFIUS. The Board will not convene unless at least two of the three national security directors are present.

32. Do the Applicants plan to access Genworth policyholders' personally identifiable information?

- A. No. The Applicants have no intention or need to access that information. The Applicants and Genworth have entered into the Mitigation Agreement with the U.S. government designed to protect the confidentiality of all personally identifiable information and other sensitive data of Genworth's U.S. policyholders after the closing of the Proposed Acquisition. Under these mitigation arrangements, the Applicants will be restricted from access to any personally identifiable information of Genworth's U.S. policyholders.

F. Form A Statement

33. When did the Applicants file the Form A Statement with the Delaware Department of Insurance?

- A. The Applicants filed the Form A Statement with the Department on December 8, 2016, and filed an Amended Form A Statement on May 24, 2018.

34. When did the Applicants file the Supplements to the Form A Statement with the Delaware Department of Insurance?

- A. The Applicants filed the Supplements to the Form A Statement with the Department on September 6, 2018, September 27, 2018, and October 26, 2018.

35. Did the Applicants receive at least 20 days' notice of the public hearing?

- A. Yes. On October 31, 2018, the Applicants received notice of the public hearing.

G. Other Regulatory Approvals

36. Other than the Form A Statement, were any other material insurance regulatory filings made by the Applicants in connection with the Proposed Acquisition?

A. Yes.

In addition to filing the Form A Statement with the Department with respect to the Domestic Insurer on December 8, 2016, the Applicants simultaneously filed a Form A statement, or the equivalent, with each of the following: the Virginia Bureau of Insurance, the North Carolina Department of Insurance and the New York State Department of Financial Services for approval of the acquisition of control of the relevant domestic Genworth insurer subsidiaries as a result of the Proposed Acquisition. Shortly thereafter, the Applicants also filed disclaimers of control with each of these regulators and the Department with regard to Ms. Huang and Ms. Lu, who each hold an ownership interest in the Applicants. Similar to Delaware, updated Form A statements were submitted to Virginia, New York, and North Carolina and supplemented thereafter. [Approval of these Form A statements are currently pending from the other state regulators.]

Internationally, the Applicants also filed applications for approval of change of control of domestic entities or branches in connection with the Proposed Acquisition with insurance regulators in Australia, Bermuda, Canada, Mexico, and New Zealand and certain other jurisdictions. Approval of the Proposed Acquisition was obtained in Bermuda and New Zealand, and the Comisión Nacional de Seguros y Fianzas in Mexico reviewed the Proposed Acquisition and determined that the Proposed Acquisition does not require its approval. [The approvals from insurance regulators in Australia and Canada are currently pending.]

37. Other than insurance regulatory approvals, what other material regulatory filings or approvals are required in connection with the Proposed Acquisition?

A. The following regulatory approvals or filings are required:

- Filing of a premerger notification and report under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (which I will refer to as the “HSR Act”), as amended, and the termination of the waiting period required under the IISR Act; the waiting period under the parties’ initial notification expired on December 16, 2016 and that approval lapsed on December 16, 2017; a new notification under the HSR Act was filed on October 23, 2018, and early termination of the waiting period was granted on November 2, 2018;
- Approval from the Financial Industry Regulatory Authority, which is currently pending;
- Approval of a Joint Notice with CFIUS, which has been obtained;

- Acceptance of the application with the National Development Reform Commission of the People's Republic of China, which has been obtained, and approval for currency conversion and remittance of the aggregate merger consideration for the Proposed Acquisition out of mainland China, which is currently pending;
- Approval from government sponsored enterprises, Fannie Mae and Freddie Mac, which is currently pending;
- Approvals from certain state banking regulators in connection with state mortgage licenses held by Genworth Financial Services, Inc., some of which are currently pending; and
- Non-disapproval of the purchase by GLAIC of the \$200 million Genworth Holdings note from GLIC by the Virginia Bureau of Insurance, which has been obtained.

H. Statutory Criteria

Qualification for License

38. Delaware law sets forth six criteria for the Delaware Insurance Commissioner to consider in reviewing the Proposed Acquisition. The first criterion is that, following the closing, the Domestic Insurer will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed. Please state whether the Domestic Insurer is currently licensed in the State of Delaware.

- A. Yes, the Domestic Insurer is currently licensed in Delaware under a certificate of authority from the Department, subject to renewal annually, and, following the Proposed Acquisition, will continue to satisfy the requirements for the issuance of a license to write the lines of business for which it is presently licensed.

39. Delaware law requires the Domestic Insurer to comply with minimum capital and surplus requirements in order to qualify for its license. Will the Domestic Insurer be able to satisfy these requirements after the closing?

- A. Yes. Following the Proposed Acquisition, the Domestic Insurer will continue to satisfy the applicable licensing criteria under Delaware law. These topics will be addressed more fully in the testimony of Ms. Groh, Genworth's Executive Vice President and Chief Financial Officer. I understand that as a Delaware life and health insurer, the Domestic Insurer must maintain minimum paid-in capital and surplus for life and health authorization in the following amounts: paid-in capital of \$350,000, and free surplus of \$200,000. I understand that the Domestic Insurer must also maintain a minimum deposit of \$100,000 in escrow for the benefit of policyholders or creditors. Following the Proposed Acquisition, the Domestic Insurer will continue to maintain the requisite statutory deposit. As disclosed in the Domestic Insurer's quarterly statutory statement for the quarter ended June 30, 2018, the Domestic Insurer had total capital and surplus of

over \$2.6 billion. This should not materially change in connection with the closing of the Proposed Acquisition.

Therefore, the Proposed Acquisition will not affect the Domestic Insurer's ability to satisfy Delaware license requirements.

Competition

40. Second, will the Proposed Acquisition substantially lessen competition in insurance in Delaware or tend to create a monopoly in Delaware?

- A. No. The Proposed Acquisition will not result in any consolidation of existing competitors that could reduce choice for insurance-buying customers in Delaware or otherwise have a negative impact on competition in Delaware. The Applicants do not own or control any U.S. insurance companies. The Applicants have never competed with the Domestic Insurer to write insurance in Delaware or any other state. In fact, the Applicants are not currently involved in the U.S. insurance market at all; they participate in the property, casualty, and life insurance markets in China.

Financial Condition of the Applicants

41. Third, is the financial condition of the Applicants such that it might jeopardize the financial stability of the Domestic Insurer, or prejudice the interest of its policyholders?

- A. No, the financial condition of the Applicants will not jeopardize the financial stability of the Domestic Insurer or prejudice the interests of its policyholders. Asia Pacific has access to sufficient funds to meet its financial obligations under the Proposed Acquisition. Asia Pacific is owned by China Oceanwide, Oceanwide Capital, and Wuhan. Each of these entities is strongly capitalized and has committed to fund its pro rata share of the cash necessary to complete the Proposed Acquisition. Under the Contingent Funding Structure, Asia Pacific Insurance will also receive funding from Oceanwide Group and Chairman Lu through Tohigh Development and Tonghai Investment to complete the Proposed Acquisition.

Oceanwide Group, on a consolidated basis, had total assets of approximately \$47.58 billion, total cash and cash equivalents of \$3.81 billion, and total revenues of \$3.42 billion as of and for the year ended December 31, 2017. As mentioned before, China Oceanwide, on a consolidated basis, had total assets of approximately \$48.79 billion, total cash and cash equivalents of \$3.79 billion, and annual revenues exceeding \$3.42 billion as of and for the year ended December 31, 2017. Wuhan, which holds substantially all of Oceanwide Holdings' Chinese real estate operations and expanding insurance operations, had approximately \$20.46 billion in total assets as of December 31, 2017, total cash and cash equivalents of \$736.39 million, and total revenues of \$2.25 billion as of and for the year ended December 31, 2017. Oceanwide Capital had total assets of approximately \$1.72 billion, total cash and cash equivalents of \$65.11 million, and total revenues of \$119.73 million as of and for the year ended December 31, 2017.

Further, in the event Oceanwide Capital fails to fund any portion of its commitments, China Oceanwide is obligated to fund any resulting shortfall.

To demonstrate transparency and its commitment to this process, China Oceanwide has provided extensive information on its group structure and the entities in its group; submitted its audited financial statements and those of Oceanwide Group, Oceanwide Holdings, and Wuhan; has reconciled key financial figures for all four entities from Chinese GAAP to IFRS and U.S. GAAP for the fiscal years ended 2015, 2016, and 2017; provided biographical information on its senior personnel; and responded promptly to detailed information requests and questions as part of the Form A process. China Oceanwide has also submitted certain detailed audited and unaudited financial statements of Tohigh Holdings Co., Ltd., Oceanwide Capital and Asia Pacific. As mentioned, the key financial figures of the main China Oceanwide entities have been reconciled to U.S. GAAP by PricewaterhouseCoopers.

Additionally, within the Form A Statement, the Applicants (1) provided biographical information and (2) detailed the Applicants' funding structure.

As discussed earlier, under the Contingent Funding Structure, approximately 35% of the aggregate equity funding would be provided by China Oceanwide, Wuhan and Oceanwide Capital, and the remaining 65% would be funded through Tohigh Development and Tonghai Investment, both controlled by Chairman Lu. No later than the closing of the Proposed Acquisition, Tohigh Development will be primarily funded by the offshore assets and earned income of Oceanwide Group and its affiliates and directly by Chairman Lu, and/or, to the extent necessary or advisable, one or more bridge loans will be entered into by Tohigh Development or its affiliates. As mentioned, in the event Tohigh Development borrows under bridge loans, its obligations under such loans would be guaranteed, or secured by a pledge of assets owned, by Oceanwide Group and/or its affiliates, and such loans would be repaid through the assets and earned income of Oceanwide Group and its affiliates. Under no circumstances would interests in Genworth, or any of its subsidiaries, including the Domestic Insurer, be used as security for any bridge loan, and repayment of the loans would not depend on any future dividends from Genworth or any of its subsidiaries.

Plans for the Domestic Insurer

42. Fourth, do the Applicants have any plans or proposals to liquidate the Domestic Insurer, to sell its assets or consolidate or merge it with any person, or to make any other material changes in its business, corporate structure or management that is unfair and unreasonable to the policyholders of the Domestic Insurer and not in the public interest?

A. No. The Applicants have no current plans to liquidate the Domestic Insurer; sell its assets, other than the previously discussed intercompany note sale; consolidate or merge it with any person; or make any other material changes that are unfair or unreasonable to the Domestic Insurer's policyholders or against the public interest. The only material

changes to the Domestic Insurer's business are (1) the cessation of writing of new LTC business at the Domestic Insurer, which the Applicants understand from Genworth would occur with or without the Proposed Acquisition and (2) potentially writing new LTC and life insurance and annuity business out of Genworth Insurance Company (which I will refer to as "Newco"), an insurance company domiciled in North Carolina that was acquired by Genworth on April 1, 2017, if Genworth decides to do so, and only if Newco is adequately capitalized and licensed for such purpose. Without the successful completion of the Proposed Acquisition, Genworth would likely no longer write new LTC policies.

Genworth and China Oceanwide have also entered into the Mitigation Agreement with the U.S. government to ensure that policyholders' personal information is used only for intended purposes. Mr. Apostle, Chief Compliance Officer and Security Officer of Genworth, will testify as to this issue in greater detail.

Competence, Experience, and Integrity

43. The fifth criterion examines whether the competence, experience, and integrity of the persons who will control the operations of the Domestic Insurer are such that it would not be in the interest of the policyholders of the Domestic Insurer and of the public to permit this acquisition of a controlling interest. Do the Applicants believe that the competence, experience, and integrity of those persons who would control the operation of the Domestic Insurer are such that it would be in the interest of policyholders of the Domestic Insurer and of the public to permit the Proposed Acquisition?

A. Yes. Chairman Lu, the ultimate controlling party, and the directors and executive officers of the Applicants, who would oversee and direct the operations of Genworth as the ultimate parent of the Domestic Insurer, have the requisite competence, experience, and integrity.

Moreover, the very experienced and competent U.S. management team currently responsible for managing the Domestic Insurer's business will continue to manage it following the Proposed Acquisition. This management team has decades of insurance industry experience, and the continuity of leadership will foster the Domestic Insurer's long-term success. I understand that the Applicants and the Domestic Insurer have provided the Department with biographical affidavits of their respective directors and executive officers and that such persons were the subjects of background investigations performed at the request of the Department by an independent firm.

Not Hazardous/Prejudicial

44. The sixth and final criterion examines whether the acquisition is likely to be hazardous or prejudicial to the insurance-buying public. Please discuss whether the acquisition will be hazardous or prejudicial to the insurance-buying public.

- A. The Proposed Acquisition will not be hazardous or prejudicial to the insurance-buying public. To the contrary, the Proposed Acquisition will benefit the insurance-buying public in multiple ways.

First, the Domestic Insurers' current policyholders will benefit from the Proposed Acquisition. As previously discussed, the Proposed Acquisition will result in an infusion of cash into the Domestic Insurer in the amount of \$375 million. The cash injections meaningfully improve the Domestic Insurer's liquidity and capital and surplus and directly benefit the Domestic Insurer's policyholders and the insurance-buying public.

Second, the Proposed Acquisition will stabilize the Genworth enterprise by infusing \$1.5 billion of capital into it. This contribution would be utilized to further improve Genworth's financial stability, which could include retiring Genworth's debt, due in 2020 and 2021, or enabling future growth opportunities. With the infusion of capital to help reduce debt, Genworth's financial position will be more robust, which will allow it to retain intellectual capital, avoid certain cost cutting measures and decrease employee attrition. This will enable Genworth and the Domestic Insurer to continue to provide a high standard of service to existing policyholders without disruption of service, with the support of its existing management and employees.

Finally, the Proposed Acquisition will enable Genworth to continue to pursue the expansion of its LTC business and will continue to maintain its position as a thought leader by supporting studies, symposia, research, and training. Genworth's continued presence as an LTC market leader is a great benefit to the insurance-buying public.

I. Conclusion

45. Assuming approval by the Delaware Department of Insurance, when do you anticipate closing the Proposed Acquisition?

- A. The Applicants understand that Genworth plans on effecting the Proposed Acquisition as soon as possible following receipt of the regulatory approvals but no later than year-end 2018.

46. Mr. Zhao, based on the record established and the filing of the Form A Statement, is it the view of the Applicants that the Delaware Insurance Commissioner has a sufficient record for issuance of an order and that there is no need to hold the record open pending delivery of information or providing action subsequent to this hearing?

A. Yes. The Applicants believe there is sufficient cause to close the record and issue an order.

47. Is there anything else you would like to add?

A. Yes. I would like to thank the Hearing Officer for his time, consideration, and thoughtful review of this matter. I would also like to thank the Department and its advisors for their attention to this matter. I would also respectfully request at this time that the Department approve the Proposed Acquisition as described here today and in the Form A Statement. The Applicants look forward to continuing to work with the Department following completion of the Proposed Acquisition.

EXHIBIT 9

**HEARING ON APPLICATION FOR ACQUISITION OF CONTROL OF
OR MERGER WITH A DOMESTIC INSURER**

Before the Commissioner of Insurance of the State of Delaware

Application of Mr. Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide Capital Investment Management Group Co., Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh Holdings Development Limited; Tonghai International Group Investment Limited; Asia Pacific Global Capital Co., Ltd.; Asia-Pacific Universe Investment (Hong Kong) Limited; Asia Pacific Insurance Holdings Limited; Asia Pacific Global Capital Limited; and Asia Pacific Insurance USA Holdings LLC (collectively, the "Applicants") for the Acquisition of Control of or merger with Genworth Life Insurance Company.

Date: November 21, 2018

TESTIMONY OF HARRY D. DUNN

A. Introduction

1. Please state your full name, business address, employer, and current position.

A. My name is Harry D. Dunn. My business address is 6620 West Broad Street, Richmond, VA 23230. I am employed by Genworth Financial, Inc. (which I will refer to as "Genworth"). I am currently a Vice President and the Appointed Actuary for Genworth Life Insurance Company (which I will refer to as the "Domestic Insurer"), Genworth Life and Annuity Insurance Company (which I will refer to as "GLAIC") and Genworth Life Insurance Company of New York (which I will refer to as "GLICNY").

2. Please describe your educational and career background.

A. I received a Bachelor of Science degree in Mathematics from Penn State University in 1976, and I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I currently serve on the Actuarial Advisory Board at Penn State, a Society of Actuaries Center for Actuarial Excellence University with an actuarial program that currently graduates the most actuarial students in the U.S.

Before joining Genworth, I worked at Legal and General America for 23 years and served as the Chief Actuary for Banner Life Insurance Company and William Penn Life Insurance Company of New York. I also served as the Chief Actuary, as well as Chief Financial Officer, at Transamerica Reinsurance.

3. How long have you been at Genworth and in what positions?

- A. I have been at Genworth since 1999 in various roles. As mentioned, I am currently a Vice President and the Appointed Actuary for each of Genworth's three main life insurance subsidiaries. I have been the Appointed Actuary for these companies since December 2015. I am also a board member of GLICNY.

I previously held the role of Appointed Actuary for First Colony Life Insurance Company, which merged with and into GLAIC, and American Mayflower Life Insurance Company of New York, which merged with and into GLICNY. In addition, I held positions as a Genworth Corporate Actuary focused on actuarial governance for both the U.S. Life and Global Mortgage Insurance businesses, as well as the position of Life Insurance Chief Actuary.

4. Please tell us your purpose for being here today.

- A. I am here today on behalf of Genworth in connection with the proposed acquisition of the Domestic Insurer by the Applicants. I will refer to this contemplated transaction as the "Proposed Acquisition."

5. What topics will you testify about today?

- A. I will testify regarding the actuarial assumptions underlying the Domestic Insurer's statutory reserve adequacy determination that was based upon the statutory reserve adequacy analysis as of December 31, 2017, and the effect of the Proposed Acquisition on such determination. I will also testify as to the assumptions underlying the long-term care insurance (which I will refer to as "LTC") rate action plan specifically.

In brief, the Domestic Insurer had statutory reserves and related items sufficient to make adequate provisions for the anticipated cash flows required by the Domestic Insurer's contractual obligations and related expenses as of December 31, 2017. I do not expect the Proposed Acquisition to impact the adequacy of the Domestic Insurer's statutory reserves. Consistent with sound actuarial principles, my estimation of the impact of the LTC future rate action plan is based on historical experience with an extra level of conservatism to account for any adverse deviation from that experience.

6. Have you been authorized by Genworth to testify at this hearing?

- A. Yes, I have been authorized by Genworth to give this testimony.

B. The Domestic Insurer's Reserves and the Proposed Acquisition

7. Are you familiar with the Proposed Acquisition by which the Applicants propose to acquire control of the Domestic Insurer?

A. Yes, I am familiar with the Proposed Acquisition. I have reviewed the Amended and Restated Form A statement submitted by the Applicants to the Delaware Department of Insurance (which I will refer to as the "Department") on May 24, 2018, and supplemented on September 6, 2018, September 27, 2018, and October 26, 2018 (which I will refer to jointly as the "Form A Statement").

8. Are you familiar with the current state of the Domestic Insurer's statutory reserves?

A. Yes. In my capacity as the Domestic Insurer's Appointed Actuary, I am very familiar with the Domestic Insurer's statutory reserves. As the Appointed Actuary, it is my responsibility to submit an Actuarial Opinion regarding the state of the Domestic Insurer's statutory reserves on an annual basis. My most recent opinion was issued on March 7, 2018 and dated as of December 31, 2017. I will refer to this opinion as the "December 2017 Opinion."

9. What did you analyze in that December 2017 Opinion and what was your conclusion?

A. In general terms, I examined the actuarial assumptions and actuarial methods used in determining statutory reserves and related actuarial items of the Domestic Insurer as of December 31, 2017. Based on the applicable Actuarial Standards of Practice, I concluded that the Domestic Insurer's statutory reserves and related items, with consideration of the assets supporting those liabilities, make adequate provisions for the anticipated cash flows required by the Domestic Insurer's contractual obligations and related expenses.

C. Assumptions Underlying Reserve Adequacy Determination For The Domestic Insurer, Including The LTC Rate Action Plan

10. Genworth and other carriers have had large LTC reserve increases in the past. Does LTC have a history of being under-reserved?

A. No. LTC is a relatively new insurance product. Unlike, for example, life insurance, which has over a hundred years of experience underlying mortality assumptions that are used for pricing and reserving, long-term care was really first developed in the 1970s. Accordingly, while reasonable estimates were used in setting LTC pricing assumptions, there really was no direct experience upon which to rely. Similarly, because claims don't start for long-term care on average until 20 to 30 years from the point of sale, it took many years for claims experience to start developing. For Genworth, the relatively recent reserve strengthening has related to its statutory claims reserves. As claims experience

has developed, Genworth, as with any insurance carrier, assessed that experience and updated its statutory claims reserve assumptions. Those updates yielded increases to the statutory claims reserves. Until that experience emerges, an insurance company's statutory claims reserves are the appropriate statutory claims reserves to be held, unless and until revised assumptions result in the need to increase statutory claims reserves. Additionally, as I describe in more detail later in my testimony, each year at the end of the year I assess the overall adequacy of the Domestic Insurer's reserves using a method called cash flow testing. Based on this methodology, I concluded that the Domestic Insurer would have sufficient statutory reserves to meet its obligations as of December 31, 2017.

11. Please describe in general terms the methodology you used to reach your conclusion that the Domestic Insurer had sufficient statutory reserves to meet its obligations as of December 31, 2017.

- A. As part of the December 2017 Opinion, I assessed the adequacy of the Domestic Insurer's statutory reserves to meet its obligations. The primary method I used to assess the adequacy of statutory reserves is known as cash flow testing, or "CFT." This method involves projecting and comparing, as of a valuation date, the timing and amount of policy and contract liability and supporting asset cash flows after the valuation date. This projection methodology can be described as a "profits retained" model because net positive, expected cash flows are retained as invested assets. This methodology is appropriate and supported by applicable Actuarial Standards of Practice.

Under this methodology, the Domestic Insurer's expected liability cash flows consist of premiums received, as well as benefits, expenses, premium taxes and other taxes payable. The Domestic Insurer's asset cash flows consist of interest income and principal repayments resulting from maturity, call, or prepayment, as well as market value cash flows at sale. All asset cash flows are projected net of assumed default costs and investment expenses.

The projection period for this methodology is 60 years for the Domestic Insurer's LTC business. This period is based on the life of the Domestic Insurer's expected LTC liabilities. It is established based upon the time until the amount of liabilities remaining is small enough that they will have a *de minimis* effect on the present value of the Domestic Insurer's cash flows.

The methodology utilizes discount rates which reflect the after-tax earnings rate on the Domestic Insurer's investment portfolio, including expected reinvestment assets, less the expected cost of defaults and investment expenses.

Finally, the methodology accounts for the Domestic Insurer's LTC in-force rate action plan, an appropriate level of interest maintenance reserves, taxes, and various interest rate scenarios.

Based on this methodology, I concluded that the Domestic Insurer would have sufficient statutory reserves to meet its obligations as of December 31, 2017.

12. Why do you take into account the impact of the in-force rate action plan on the Domestic Insurer's LTC business in the CFT analysis?

- A. As a professional actuary evaluating the adequacy of the Domestic Insurer's statutory reserves, I am required by the applicable Actuarial Standards of Practice to take into account the impact of the LTC in-force rate action plan. Under the Actuarial Standards of Practice, I must utilize an estimate of the Domestic Insurer's future cash flows that relate to the policy liabilities and supporting assets. The premium rate increases planned for by the LTC in-force rate action plan make up a significant portion of the Domestic Insurer's future cash flows, and it would be inconsistent with the Actuarial Standards of Practice not to account for them.

Model regulations of the National Association of Insurance Commissioners specifically contemplate accounting for reasonably expected premium rate increases. Specifically, the National Association of Insurance Commissioners Health Insurance Reserves Model Regulation states that "With respect to . . . an insurer's health business as a whole, a prospective gross premium valuation *is the ultimate test of reserve adequacy as of a given* valuation date. Such a gross premium *valuation will take into account* . . . the present value as of the valuation date of: all expected benefits unpaid, all expected expenses unpaid, and all unearned or expected premiums, *adjusted for future premium increases reasonably expected to be put into effect.*" While this regulation references one specific method of assessing statutory reserve adequacy—a prospective gross premium valuation—cash flow testing, which is what Genworth used for this test, is a more appropriate method of statutory reserve adequacy assessment, as it better assesses future expected cash flows.

13. Please describe the methodology by which you accounted for the LTC in-force rate action plan in your CFT analysis.

- A. Since 2014, the Domestic Insurer has included premium rate increases which are expected to be filed in the future in its CFT analysis for the LTC business. This analysis reflects the Domestic Insurer's best estimate as to what will happen in the future with respect to rate actions. The first step in the analysis is to determine the expected claims costs for LTC policies over the lifetime of those policies, calculated using the most recent liability projection assumptions and taking into account applicable regulations. From that, Genworth determines the amount of actuarially-justified premium rate increases across the Domestic Insurer's various LTC product lines.

After determining the amount of actuarially-justified premium rate increases, Genworth looks at a 12 year period going forward over which the Domestic

Insurer expects to request and implement those premium rate increases. The first ten years of this period are assumed to account for all premium rate increase requests and receipt of premium rate increase approvals. Two additional years are provided for in order to account for finalizing and implementing all approvals, which includes the communication of those changes to policyholders.

In estimating the likelihood of approvals over this period, Genworth performed a state-by-state analysis of the amount of actuarially-justified premium rate increases and the likelihood of receiving regulatory approval for those increases. This state-by-state estimate of regulatory approval is based on the historical success rate of achieving needed premium rate increases in each state. This estimate also accounts for the understanding that premium rate increases approved in the future may be lower than amounts achieved in the past. Finally, the estimates make jurisdictionally-specific adjustments for items such as state-mandated caps on premium rate increases and state-specific implementation periods for approved premium rate increases.

After estimating the premium rate increases likely to be approved on a state-by-state basis, Genworth accounted for how policyholders are likely to react to those increases. As Mr. McNerney explains in his testimony, when rates on LTC products increase, the Domestic Insurer's policyholders are presented with three options: (1) to pay the full amount of the premium rate increase and maintain their current level of protection, (2) to make custom benefit adjustments instead of paying higher premiums, or (3) to drop their coverage altogether. Notably, however, policyholders who pick this third option remain entitled to have eligible expenses reimbursed up to the amount of any premiums they have paid (minus any claims previously paid). Genworth has historical experience regarding how policyholders typically pick among these three options when faced with a premium rate increase, and Genworth's estimates of how policyholders will react to a given amount of premium rate increase is based on this historical experience.

These state-by-state estimates—of the likely amount of premium rate increases to be approved and the policyholder reaction to those increases—are then used to calculate a net present value of future cash flows attributable to the LTC in-force rate action plan. Finally, as a measure of additional conservatism, Genworth decreases the net present value of those cash flows by 20% to account for the possibility of adverse deviation relating to the approval and implementation of the in-force rate action plan. The resulting net cash flows are then incorporated into the broader 60-year CFT analysis described earlier.

14. What do you mean by “adverse deviation?”

- A. As I noted, the assumptions regarding the likelihood of regulatory approval for requested premium rate increases and of policyholder reactions to any approved increases are based upon Genworth's historical experience. The future is always uncertain, however, and there is a chance that future outcomes may be worse for

the Domestic Insurer from a financial standpoint than historical experience suggests. I refer to this potential as “adverse deviation.” I also noted that the rate action plan addressed adverse deviation, which is already embedded in the current asset adequacy analysis assumptions. Future adverse deviation is handled separately in the analysis.

15. Is the 20% decrease in the net present value of future cash flows the only means by which adverse deviation is addressed?

- A. No. Genworth included the 20% decrease to the net present value of future cash flows as an extra measure of conservatism, but even without that adjustment Genworth’s best estimates already include some implicit conservatism. Genworth’s estimates are quite conservative.

Notably, neither the implicit conservatism in the best estimate, nor the 20% adjustment is required by accepted actuarial methodology. Genworth’s analysis would still comply with the applicable Actuarial Standards of Practice, as asset adequacy analysis addresses market risks and does not specifically require such provisions for adverse deviation on each liability assumption. But Genworth chooses to apply the 20% decrease to ensure that its estimates are even more conservative than required by actuarial standards.

16. How does the reserve adequacy analysis address future adverse deviation?

- A. Nearly all material assumptions also address future adverse deviation from those best estimates. Generally, Genworth does so by ensuring that its material assumptions are adjusted to account for one adverse standard deviation from best estimate experience. However, given that future adverse deviation should be covered by future additional premium rate increases, which are not in the existing LTC premium rate increase plan, Genworth uses 20% of the future adverse deviation as it relates to additional liability cash flow, which is assumed to be borne by the company and embedded in the reserve analysis.

A full one standard adverse deviation provision is utilized for market assumptions, and it is adjusted for correlation with the 20% liability adverse deviation provision to establish an overall provision for future adverse deviation.

17. Has your analysis been reviewed by any third parties?

- A. Yes, two nationally recognized third-party actuarial firms reviewed various aspects of Genworth's CFT analysis. One helped develop many of the assumptions used in the Domestic Insurer's reserve adequacy analysis, such as statutory active life, or policy, reserves. The other has since performed its own independent review and analysis of the Domestic Insurer's CFT assumptions. With respect to the LTC in-force rate action plan projections specifically, that firm concluded that the Domestic Insurer's premium rate increase assumptions were supported by the Domestic Insurer's track record and exhibited a conservative bias relative to other insurers' experience.

D. Conclusion

18. Do you expect the Proposed Acquisition to cause you to revise or change your conclusions in the December 2017 Opinion regarding the adequacy of the Domestic Insurer's statutory reserves?

- A. No. Based on my understanding of the Proposed Acquisition and the applicable Actuarial Standards of Practice, the Proposed Acquisition should not cause me to change my opinion as to the adequacy of the Domestic Insurer's statutory reserves as of December 31, 2017.

19. Do you expect the Proposed Acquisition to have an adverse effect on the statutory reserve adequacy analysis of the Domestic Insurer for 2018?

- A. No. Based on my understanding of the Proposed Acquisition and the applicable Actuarial Standards of Practice, the Proposed Acquisition should not adversely affect the statutory reserve adequacy of the Domestic Insurer for 2018.

20. Is there anything else you would like to add?

- A. Yes. I would like to thank the Hearing Officer for his time and review of this matter.

EXHIBIT 10

**HEARING ON APPLICATION FOR ACQUISITION OF CONTROL OF
OR MERGER WITH A DOMESTIC INSURER**

Before the Commissioner of Insurance of the State of Delaware

Application of Mr. Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide Capital Investment Management Group Co., Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh Holdings Development Limited; Tonghai International Group Investment Limited; Asia Pacific Global Capital Co., Ltd.; Asia-Pacific Universe Investment (Hong Kong) Limited; Asia Pacific Insurance Holdings Limited; Asia Pacific Global Capital Limited; and Asia Pacific Insurance USA Holdings LLC (collectively, the “Applicants”) for the Acquisition of Control of or merger with Genworth Life Insurance Company.

Date: November 21, 2018

TESTIMONY OF KELLY L. GROH

A. Introduction

1. Please state your full name, business address, employer, and current position.

- A. My name is Kelly L. Groh. My business address is 6620 West Broad Street, Richmond, VA 23230. I am employed by Genworth Financial, Inc. (which I will refer to as “Genworth”). I have served as Genworth’s Executive Vice President and Chief Financial Officer since October 2015. I am also a Senior Vice President at Genworth Life Insurance Company (which I will refer to as the “Domestic Insurer”).

2. Please describe your educational and career background.

- A. I received a Bachelor of Arts degree in business administration (accounting) in 1990 from the University of Washington in Seattle. I am a certified public accountant and a chartered global management accountant.

Prior to 1996, I was a manager at PricewaterhouseCoopers.

From March 1996 until Genworth’s initial public offering in 2004, I served in various finance capacities for predecessor companies, including GE Financial Assurance Holdings, Inc. From July 2004 to August 2008, I served Genworth as Senior Vice President, Finance, which role included responsibility for varying periods of time over the Financial Planning and Analysis and the Investor Relations functions. From August 2008 to December 2010, I served as the Chief

Financial Officer of Genworth's previous Retirement and Protection segment. I served in Genworth's Investment organization as Senior Vice President of Investment Portfolio Management from July 2010 to May 2012. I also served as Genworth's Principal Accounting Officer from May 2012 to April 2016, its Vice President and Controller from May 2012 to November 2015, and as Acting Chief Financial Officer of Genworth's U.S. life insurance businesses from August 2014 through January 2015.

3. Please tell us your purpose for being here today.

- A. I am here today on behalf of Genworth in connection with the proposed acquisition of the Domestic Insurer by the Applicants. I will refer to this contemplated transaction as the "Proposed Acquisition."

4. What topics will you testify about today?

- A. I will testify about the Domestic Insurer's current financial condition and the Proposed Acquisition's effect on the Domestic Insurer's financial condition. I will also testify as to whether, after the Proposed Acquisition, the Domestic Insurer will continue to comply with Delaware's minimum capital and surplus requirements for domestic insurance companies, which is a condition for approval of the Form A Statement submitted to the Delaware Department of Insurance by the Applicants.

5. Have you been authorized by Genworth to testify at this hearing?

- A. Yes, as Chief Financial Officer of Genworth, I have been authorized by Genworth to give this testimony.

B. The Domestic Insurer's Ability to Meet Statutory Surplus Requirements after the Proposed Acquisition

6. Are you familiar with the Domestic Insurer's current financial condition?

- A. Yes. As Chief Financial Officer of Genworth, I am responsible for treasury, tax, investor and rating agency relations, financial planning and analysis, and controller functions. As such, I am very familiar with the Domestic Insurer's financial condition, including its assets, liabilities, reserves, and its ability to pay claims as they come due.

7. Are you generally familiar with how the Proposed Acquisition will affect the Domestic Insurer?

- A. Yes. In addition, this subject is covered in considerable detail in the testimonies of Mr. McNerney and Mr. Zhao.

8. How will the \$175 million capital contribution from Genworth Holdings and purchase of the Genworth Holdings note by GLAIC affect the Domestic Insurer's liquidity and capital and surplus positions?

A. As addressed more fully in the testimony of Mr. McInerney, Genworth's President and Chief Executive Officer, Genworth and the Applicants have agreed that Genworth Holdings, Inc. (which I will refer to as "Genworth Holdings"), or one of its affiliates, will contribute \$175 million to the Domestic Insurer. In addition, Genworth Life and Annuity Insurance Company, a Virginia domiciled insurer and subsidiary of the Domestic Insurer (which I will refer to as "GLAIC"), will purchase a 7.25% unsecured promissory note, due March 31, 2020, issued by Genworth Holdings as maker and payable to the Domestic Insurer in the principal amount of \$200 million. As consideration for the purchase of the note, at the closing of the Proposed Acquisition, GLAIC will pay to the Domestic Insurer an amount in cash equal to the fair market value of the note which amount will be no less than \$200 million and no more than \$205 million plus accrued and unpaid interest. These capital injections will bring approximately \$375 million of cash to the Domestic Insurer, a little over half of which will be injected at or around the closing of the Proposed Acquisition and the rest in the following approximately 13 months. The cash injections improve the Domestic Insurer's liquidity and capital and surplus positions immediately after the closing, putting it in a better capital and liquidity position than without the Proposed Acquisition.

9. Delaware law requires the Domestic Insurer to comply with minimum capital and surplus requirements in order to qualify for a license to write insurance in Delaware. Will the Domestic Insurer be able to satisfy these minimum capital and surplus requirements after the Proposed Acquisition?

A. Yes. Following the Proposed Acquisition, the Domestic Insurer will be able to satisfy the applicable licensing criteria under Delaware law. I understand that, as a Delaware life and health insurer, the Domestic Insurer must maintain minimum paid-in capital and surplus for life and health authorization in the following amounts: paid-in capital \$350,000, and free surplus \$200,000. I understand that the Domestic Insurer must also maintain a minimum deposit of \$100,000 in escrow for the benefit of policyholders or creditors. Following the Proposed Acquisition, the Domestic Insurer's capital and surplus will continue to be well in excess of the required minimums under Delaware law. The Domestic Insurer will continue to maintain the requisite statutory deposit after the Proposed Acquisition. As disclosed in the Domestic Insurer's quarterly statutory statement for the quarter ended September 30, 2018, the Domestic Insurer had total capital and surplus of approximately \$2.5 billion. Genworth does not expect that the Proposed Acquisition itself would have had a material impact on these amounts if the Proposed Acquisition had closed during the period covering these calculations.

C. Conclusion

10. Is there anything else you would like to add?

- A. Yes. I would like to thank the Hearing Officer for his thoughtful review of this matter.

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EXHIBIT 11

**HEARING ON APPLICATION FOR ACQUISITION OF CONTROL OF
OR MERGER WITH A DOMESTIC INSURER**

Before the Commissioner of Insurance of the State of Delaware

Application of Mr. Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide Capital Investment Management Group Co., Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh Holdings Development Limited; Tonghai International Group Investment Limited; Asia Pacific Global Capital Co., Ltd.; Asia-Pacific Universe Investment (Hong Kong) Limited; Asia Pacific Insurance Holdings Limited; Asia Pacific Global Capital Limited; and Asia Pacific Insurance USA Holdings LLC (collectively, the “Applicants”) for the Acquisition of Control of or merger with Genworth Life Insurance Company.

Date: November 21, 2018

TESTIMONY OF JOHN G. APOSTLE II

Executive Summary

I am John G. Apostle II, Genworth Financial, Inc.’s (which I will refer to as “Genworth”) Chief Compliance Officer and Security Officer. My testimony details the cybersecurity measures agreed to regarding the Acquisition of Control by the Applicants of Genworth Life Insurance Company (which I will refer to as the “Domestic Insurer”). Genworth is committed to ensuring the data security of its policyholders, particularly given the increased risks of cyberattacks, database-hacking, and ransomware attacks targeting business enterprises in general. To that end, Genworth, in conjunction with the Applicants, and the Committee on Foreign Investment in the United States (which I will refer to as “CFIUS”), have developed an enhanced data security program, specifically to enhance Genworth’s cybersecurity and the protection of its policyholders’ data. Under the enhanced data security program, Genworth will implement measures to ensure the confidentiality of its policyholders’ personally identifiable information (which I will refer to as “PII”). Such measures include: (1) collaborating with a third-party service provider that is independent from the Applicants and Genworth, to manage and secure policyholder data; (2) maintaining complete logical and physical separation of Genworth’s data centers and IT infrastructure from the Applicants and other affiliated entities controlled by Mr. Zhiqiang Lu (which I will refer to collectively as the “China Oceanwide Group”); (3) enhancing access and control limitations; and (4) altering the composition of Genworth’s Board of Directors (which I will refer to as “the Board”) to include three national security directors.

Introduction

1. Please state your full name, business address, employer, and current position.

- A. My full name is John G. Apostle II. My business address is 6620 West Broad Street, Richmond, Virginia 23230. I am employed by Genworth. I am Genworth's Chief Compliance Officer and Security Officer where, among other things, I am responsible for advising senior management and Genworth's Board on data privacy and data security matters.

2. Please describe your educational and career background.

- A. I graduated from the University of Richmond with a bachelor's degree in 1984 and a law degree in 1989. Since then, I have held various positions in the private sector.

I was an Associate at Buonassissi, Henning, Campbell & Moffett, P.C. from 1989 to 1991 and at Greenstein, DeLorme & Luchs, P.C. from 1991 to 1994. Later, I was Associate Counsel of Signet Bank from 1994 to 1997. I was the General Counsel of Consumer Finance Group of SunTrust Bank from 1997 to 2000 and the Group General Counsel of Retail Operations and Technology of SunTrust Bank in 2000. From 2000 to 2002 I was the Deputy General Counsel of Genworth and its predecessor company. I was the Business Unit Chief Compliance Officer at GE Financial Assurance and Genworth from 2002 to 2007 and became the Chief Compliance Officer of Genworth in 2007.

3. Please tell us your purpose for being here today.

I am here today on behalf of Genworth in connection with the proposed acquisition of the Domestic Insurer by the Applicants. I will refer to this contemplated transaction as the "Proposed Acquisition."

4. What topics will you testify about today?

- A. I will discuss the data privacy and security protections that will be in effect for Genworth and the Domestic Insurer's policyholders subsequent to the closing of the Proposed Acquisition. Specifically, I will discuss the reporting, monitoring, and enforcement mechanisms that will protect policyholders' PII to ensure that such information is not accessible to the Applicants and is protected from unauthorized access by any other entity outside of Genworth and its subsidiaries. PII includes information regarding a U.S. person that specifically identifies such person, such as, name, contact information, social security number, and financial account information. Genworth is required to take custody of its policyholders' PII in order to conduct its business, and it is committed to protecting the confidentiality of this information from unauthorized access by anyone. In recognition of this, Genworth and the Applicants have developed a comprehensive enhanced data security program to protect Genworth's customers' sensitive information.

5. Have you been authorized by Genworth to testify at this hearing?

A. Yes, as the Chief Compliance Officer and Security Officer of Genworth, I have been authorized by Genworth to give this testimony.

A. Background Regarding the Need for Data Privacy and Security Protections

6. Will Genworth implement enhanced data privacy and security protections after the closing of the Proposed Acquisition?

A. Yes. Genworth and the Applicants, working together, and in connection with the review of the Proposed Acquisition by CFIUS, have developed and entered into a confidential mitigation agreement (which I will refer to as the “Mitigation Agreement”) designed to protect the confidentiality of all PII and other sensitive data after the closing of the Proposed Acquisition in a verifiable, sustainable and effective manner. To that end, Genworth, China Oceanwide Holdings Group Co. Ltd. (which I will refer to as “China Oceanwide”) and the CFIUS monitoring agencies have entered into the Mitigation Agreement that will govern the terms of the enhanced data security program. All of this has been done with the Applicants’ full support. It is critically important to Genworth and the Applicants that PII and other sensitive policyholder information remain confidential and that it only be used for legally permissible purposes, including servicing policyholders. After the Proposed Acquisition, Genworth will continue to be responsible for all claims processing services, and the Applicants will not have access to PII that is obtained or maintained by Genworth.

Pursuant to the Mitigation Agreement, Genworth will implement several rigorous measures to ensure the confidentiality of PII, including (i) a master services agreement entered into by Genworth with a third-party service provider, Alight Technology Services LLC, that is independent from the Applicants and Genworth (which I will refer to as the “Alight Service Provider”), to, among other things, control and manage Genworth’s U.S. data center facilities and related IT infrastructure, as discussed in more detail below; (ii) maintaining complete logical and physical separation of Genworth’s data centers and IT infrastructure from the Applicants; (iii) enhanced access and control limitations; and (iv) modification of the composition of the Board of Genworth after the Proposed Acquisition.

7. Why will Genworth do this?

A. The protection of our policyholders’ PII is of critical importance. Genworth’s ability to engage in an insurance business is dependent on its policyholders having confidence that it will maintain the privacy of their personal data. Accordingly, Genworth already has extremely strong data privacy and security protections. These protections will only be strengthened by the Mitigation Agreement.

8. Is Genworth currently regulated with respect to its treatment of policyholder information?

A. Yes, highly so. Genworth, overall, is subject to state insurance and federal regulations regarding data privacy and security and is routinely examined by these regulators. For the U.S. mortgage insurance business, Genworth is also subject to the requirements promulgated by government-sponsored entities (principally Fannie Mae and Freddie Mac). For the U.S. long-term care insurance business, Genworth is also subject to examinations by the Department of Health and Human Services, pursuant to the Health Insurance Portability and Accountability Act. As part of this oversight, Genworth is subject to insurer-specific cybersecurity and data privacy requirements.

9. Will the enhanced data privacy and security protections Genworth is implementing as part of the Proposed Acquisition inhibit the Delaware Department of Insurance from conducting regulatory examinations of the Domestic Insurer?

A. No. None of the changes Genworth will implement as part of the Mitigation Agreement will affect the ability of the Delaware Department of Insurance to conduct its examinations of the Domestic Insurer. The Department will continue to have access to the same information that it always had in connection with examinations after the Proposed Acquisition.

B. Identification of a New Third-Party Service Provider

10. What is the third-party service provider Genworth and China Oceanwide are proposing to engage?

A. Genworth has entered into a master services agreement with the Alight Service Provider, which is an affiliate of Alight Solutions LLC (which I will refer to as “Alight”). Both Alight and the Alight Service Provider are independent from the Applicants and Genworth. Headquartered in Lincolnshire, Illinois, Alight is a leader in technology-enabled health, wealth, and HR solutions with 25 years of experience. Alight currently receives, manages, stores, and protects PII relating to nearly 40 million people in the United States. The Alight Service Provider will be an independent data steward of Genworth’s policyholder and borrower data.

11. How will the Alight Service Provider help protect Genworth’s policyholder data?

A. The Alight Service Provider will manage and secure the information systems used by Genworth’s U.S. insurance subsidiaries to administer a customer’s policy and related data in accordance with industry standards and other specific requirements such as data masking, encryption, and secure means of data access and transmission. The Alight Service Provider will also be responsible for Genworth’s cybersecurity monitoring. In addition, the Alight Service Provider will only permit Genworth to access policyholder records with PII in accordance with the protocols provided to CFIUS and approved under the terms of the Mitigation Agreement.

12. How can policyholders be assured that Genworth will comply with these protocols?

- A. Compliance by Genworth with these protocols and the effectiveness of the Alight Service Provider in providing effective controls will be monitored and reported on by Ankura Consulting Group, LLC, an independent third-party monitor approved by CFIUS (which I will refer to as the “Third-Party Monitor”). Additionally, Genworth will be required to obtain, annually, a third-party audit of the parties’ overall compliance with the terms of the Mitigation Agreement. The scope of the annual audit will be subject to CFIUS approval. In addition, none of Genworth, the Applicants or any of their affiliates, will be permitted to hold any equity, debt, or other interest (other than *de minimis* investments held in insurance company general accounts) in Alight, the Alight Service Provider, or any entity having a controlling interest therein.

13. Will any Genworth employees work at the Alight Service Provider?

- A. No person working for or at the Alight Service Provider will be a Genworth employee. No director, officer, or employee of Genworth, China Oceanwide or any of their affiliates may be an officer, director, manager, or employee of the Alight Service Provider or any entity holding a controlling interest in the Alight Service Provider. Approximately 200 Genworth employees and contractors, including Genworth employees responsible for managing the Genworth data center and IT infrastructure, will leave Genworth’s employ and be employed by the Alight Service Provider and no longer report to or be managed or employed by Genworth. Genworth will not be permitted to hire an employee of the Alight Service Provider until a 5 year “cooling off” period has expired.

C. Network Separation

14. Will the data storage and network systems of Genworth and China Oceanwide interact after the Proposed Acquisition?

- A. No. The parties will maintain separate data systems and technology infrastructure. Genworth’s data systems and technology infrastructure will not be integrated with the Applicants’, and neither Genworth nor the Alight Service Provider will grant permission-based access to the Applicants. Outside of internet access through a restricted guest network at a Genworth facility, no China Oceanwide Group employee will receive access to Genworth’s technology infrastructure without prior approval of the U.S. government.

15. How will you ensure the data systems remain separate?

- A. The Alight Service Provider will have exclusive control of all of: (i) Genworth’s leased or licensed data center facilities located in the U.S. and (ii) Genworth’s computer and networking equipment located at those data centers, including the information systems used by Genworth’s U.S. insurance subsidiaries to manage customer policy information and related data. Genworth’s data center and IT infrastructure will be independently monitored and logically and physically separated from China Oceanwide Group’s information systems and Genworth and China Oceanwide Group personnel.

B. Enhanced Access and Control Limitations

16. Will Genworth be able to access the data transferred to the Alight Service Provider?

- A. Not without permission or authorization. The Alight Service Provider will exercise all control to grant Genworth personnel access to sensitive information transferred to the Alight Service Provider, in accordance with the terms of the Mitigation Agreement and the security protocols pre-approved by CFIUS. All access by Genworth personnel to PII will be on a policy-by-policy basis as needed to perform ordinary course business where the access is recorded and auditable. Moreover, Genworth will not have the ability to search or run reports on multi-policy policyholder data containing PII, including the ability to view, download or print PII in bulk. Such access will be limited to the Alight Service Provider and other authorized service providers. However, certain authorized Genworth personnel approved by me in my capacity as Genworth's Security Officer will be allowed to view PII in bulk for confirming the accuracy of communications with certain Genworth key constituencies such as reports created for regulatory and third-party certification requirements.

17. Will Genworth transfer non-sensitive data to China Oceanwide after the Proposed Acquisition?

- A. Yes. Genworth will transfer three discrete types of data necessary for the Applicants' management and assessment of the performance of products and Genworth's business. The data will be depersonalized and aggregated, and will not include PII. Specifically, Genworth will transfer data it generates about product experience, which may include depersonalized, aggregated health information. Additionally, Genworth will transfer data pertaining to Genworth's financial performance and the performance of certain aspects of its business (which I will refer to as "Financial Data"). Finally, Genworth will transfer information relevant to its management to members of its Board, including the China Oceanwide Group representatives. This information (which I will refer to as the "Board Package") will include Financial Data, financial projections, regulatory information, risk management, and other business data. The Board Package will not include PII. The parties have thoughtfully defined the types of data to be transferred from Genworth to the Applicants as narrowly as possible to meet business objectives.

18. How will Genworth ensure compliance with these control limitations?

- A. The Third-Party Monitor will monitor Genworth's, the Applicants', and the Alight Service Provider's compliance with the policies and procedures adopted pursuant to the Mitigation Agreement and the pre-approved security protocols. Additionally, the Alight Service Provider will retain reputable independent third-parties to conduct periodic reviews and vulnerability assessments (including penetration testing) of all security measures and controls with respect to the PII and related information technology assets, including compliance with the pre-approved security protocols.

D. Board Structure

19. Will Genworth be implementing governance procedures specific to data privacy and security after the Proposed Acquisition?

- A. Yes. Genworth will be changing the structure of its Board to ensure that policyholder data and information related to Genworth's IT security is rigorously protected. Specifically, after the Proposed Acquisition, three directors, constituting a minority of the Board, will represent China Oceanwide Group. Two directors, who initially will be independent directors currently serving on Genworth's Board, will be U.S. citizens approved by CFIUS and will serve as independent directors. These two directors will be Ms. Debra J. Perry and Mr. Robert P. Restrepo Jr. One director will be Genworth's Chief Executive Officer (currently, Mr. McInerney). Finally, three security directors have been chosen specifically for their national security expertise. The security directors must be U.S. citizens, have no prior relationship with the Applicants or Genworth, hold or be eligible to hold a Top Secret security clearance, and be approved by CFIUS. The three initial security directors will be Mr. Eric Rosenbach, Lieutenant General Karen Dyson (retired) and General Raymond Odierno (retired). After the closing, the Board will not convene unless at least 2 of the 3 security directors are present.

20. Will any other governance mechanisms help to ensure compliance with data privacy and security protections?

- A. Yes. Genworth will establish a new security committee of the Board, comprised only of the three security directors. The security committee will be the committee of the Board responsible for compliance with the Mitigation Agreement, oversight of data security and the protection of information possessed by or accessible to Genworth (including management of Genworth's relationship with the Alight Service Provider), and the protection of U.S. national security. The security committee will have absolute discretion to decide all board matters related to data security and national security. Moreover, a majority of the security committee will have the right to veto any action of the Board that they determine is inconsistent with the Mitigation Agreement.

E. Conclusion

21. Is there anything else you would like to add?

- A. Yes. I would like to thank the Hearing Officer for his time, consideration, and thoughtful review of this matter.

EXHIBIT 12

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE

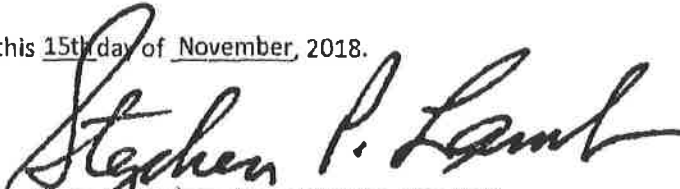
IN THE MATTER OF:

Form A Statement Regarding the Acquisition of)
Control of Genworth Life Insurance Company, an indirect)
subsidiary of Genworth Financial, Inc., by Zhiqiang Lu; Tohigh)
Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China)
Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co.,)
Ltd.; Oceanwide Capital Investment Management Group Co.,) Docket No. 3346-2016
Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh)
Holdings Development Limited; Tonghai International Group)
Investment Limited; Asia Pacific Global Capital Co., Ltd.;)
Asia-Pacific Universe Investment (Hong Kong) Limited; Asia)
Pacific Insurance Holdings Limited; Asia Pacific Global Capital)
Limited; and Asia Pacific Insurance USA Holdings LLC)
(the "Application").

ORDER ADMITTING FREDRIC MARRO, ESQUIRE PRO HAC VICE

The foregoing application for admission of Fredric Marro to practice in this action pro
hac vice is hereby granted.

IT IS SO ORDERED this 15th day of November, 2018.



Stephen P. Lamb,
Hearing Officer

EXHIBIT 13

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE

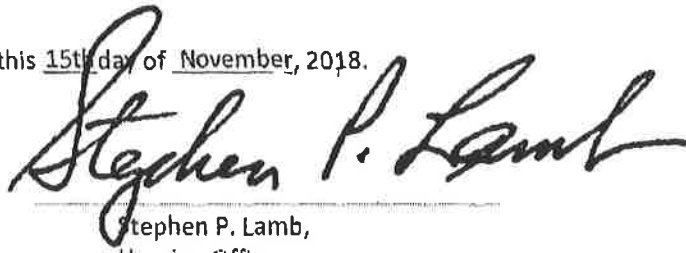
IN THE MATTER OF:

Form A Statement Regarding the Acquisition of)
Control of Genworth Life Insurance Company, an indirect)
subsidiary of Genworth Financial, Inc., by Zhiqiang Lu; Tohigh)
Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China)
Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co.,)
Ltd.; Oceanwide Capital Investment Management Group Co.,) Docket No. 3346-2016
Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh)
Holdings Development Limited; Tonghai International Group)
Investment Limited; Asia Pacific Global Capital Co., Ltd.;)
Asia-Pacific Universe Investment (Hong Kong) Limited; Asia)
Pacific Insurance Holdings Limited; Asia Pacific Global Capital)
Limited; and Asia Pacific Insurance USA Holdings LLC)
(the "Application").

ORDER ADMITTING SCOTT C. RILEY, ESQUIRE PRO HAC VICE

The foregoing application for admission of Scott C. Riley to practice in this action pro hac
vice is hereby granted.

IT IS SO ORDERED this 15th day of November, 2018.



Stephen P. Lamb,
Hearing Officer

EXHIBIT 14

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE

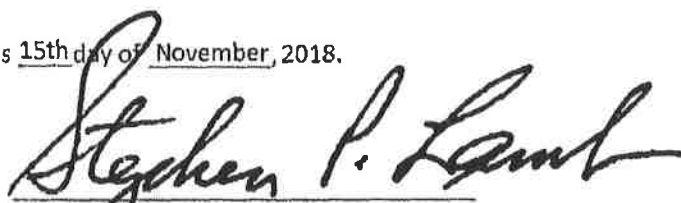
IN THE MATTER OF:

Form A Statement Regarding the Acquisition of)
Control of Genworth Life Insurance Company, an indirect)
subsidiary of Genworth Financial, Inc., by Zhiqiang Lu; Tohigh)
Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China)
Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co.,)
Ltd.; Oceanwide Capital Investment Management Group Co.,) Docket No. 3346-2016
Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh)
Holdings Development Limited; Tonghai International Group)
Investment Limited; Asia Pacific Global Capital Co., Ltd.;)
Asia-Pacific Universe Investment (Hong Kong) Limited; Asia)
Pacific Insurance Holdings Limited; Asia Pacific Global Capital)
Limited; and Asia Pacific Insurance USA Holdings LLC)
(the "Application").

ORDER ADMITTING BRIAN T. FRAWLEY, ESQUIRE PRO HAC VICE

The foregoing application for admission of Brian T. Frawley to practice in this action pro
hac vice is hereby granted.

IT IS SO ORDERED this 15th day of November, 2018.



Stephen P. Lamb,
Hearing Officer

EXHIBIT 15

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE

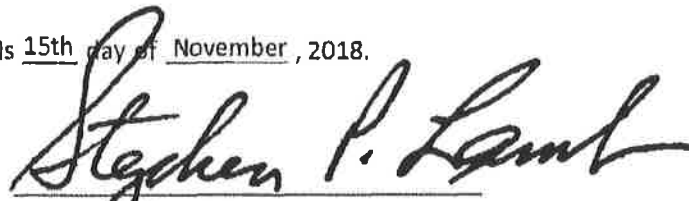
IN THE MATTER OF:

Form A Statement Regarding the Acquisition of)
Control of Genworth Life Insurance Company, an indirect)
subsidiary of Genworth Financial, Inc., by Zhiqiang Lu; Tohigh)
Holdings Co., Ltd.; Oceanwide Group Co., Ltd.; China)
Oceanwide Holdings Group Co., Ltd.; Oceanwide Holdings Co.,)
Ltd.; Oceanwide Capital Investment Management Group Co.,) Docket No. 3346-2016
Ltd.; Wuhan CBD Development & Investment Co., Ltd.; Tohigh)
Holdings Development Limited; Tonghai International Group)
Investment Limited; Asia Pacific Global Capital Co., Ltd.;)
Asia-Pacific Universe Investment (Hong Kong) Limited; Asia)
Pacific Insurance Holdings Limited; Asia Pacific Global Capital)
Limited; and Asia Pacific Insurance USA Holdings LLC)
(the "Application").

ORDER ADMITTING MARION LEYDIER, ESQUIRE PRO HAC VICE

The foregoing application for admission of Marion Leydier to practice in this action pro
hac vice is hereby granted.

IT IS SO ORDERED this 15th day of November, 2018.



Stephen P. Lamb,
Hearing Officer

EXHIBIT 16

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF DELAWARE

IN THE MATTER OF:)
)
The Form A Statement Regarding the Acquisition of)
Control of Genworth Life Insurance Company by)
Zhiqiang Lu, Tohigh Holdings Co., Ltd., Oceanwide)
Group Co., Ltd., China Oceanwide Holdings Group)
Co., Ltd., Oceanwide Holdings Co., Ltd., Oceanwide)
Capital Investment Management Group Co., Ltd.,)
Wuhan CBD Development & Investment Co., Ltd.,)
Tohigh Holdings Development Limited, Tonghai)
International Group Investment Limited, Asia Pacific)
Global Capital Co., Ltd., Asia-Pacific Universe)
Investment (Hong Kong) Limited, Asia Pacific)
Insurance Holdings Limited, Asia Pacific Global)
Capital Limited, and Asia Pacific Insurance USA)
Holdings LLC)

Docket No. 3346-2016

ORDER ADMITTING ALLISON J. TAM, ESQUIRE PRO HAC VICE.

The foregoing application for admission of Allison J. Tam to practice in this action pro
hac vice is hereby granted.

IT IS SO ORDERED this 20th day of November, 2018

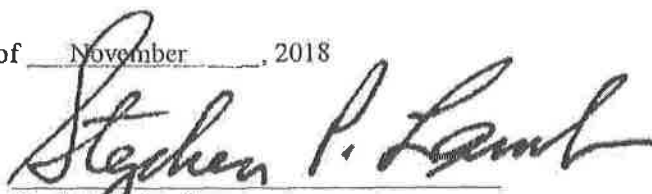

Stephen P. Lamb
Hearing Officer

EXHIBIT 17

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF DELAWARE

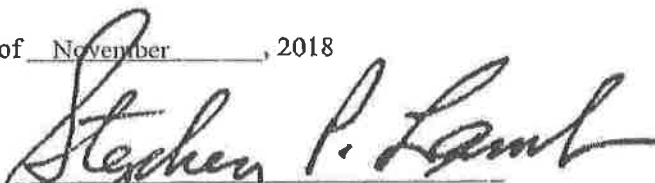
IN THE MATTER OF:

The Form A Statement Regarding the Acquisition of)	
Control of Genworth Life Insurance Company by)	
Zhiqiang Lu, Tohigh Holdings Co., Ltd., Oceanwide)	
Group Co., Ltd., China Oceanwide Holdings Group)	
Co., Ltd., Oceanwide Holdings Co., Ltd., Oceanwide)	
Capital Investment Management Group Co., Ltd.,)	Docket No. 3346-2016
Wuhan CBD Development & Investment Co., Ltd.,)	
Tohigh Holdings Development Limited, Tonghai)	
International Group Investment Limited, Asia Pacific)	
Global Capital Co., Ltd., Asia-Pacific Universe)	
Investment (Hong Kong) Limited, Asia Pacific)	
Insurance Holdings Limited, Asia Pacific Global)	
Capital Limited, and Asia Pacific Insurance USA)	
Holdings LLC)	

ORDER ADMITTING CHRISTOPHER J. ST. JEANOS, ESQUIRE PRO HAC VICE

The foregoing application for admission of Christopher J. St. Jeanos to practice in this action pro hac vice is hereby granted.

IT IS SO ORDERED this 20th day of November, 2018



 Stephen J. Lamb
 Hearing Officer

EXHIBIT 18

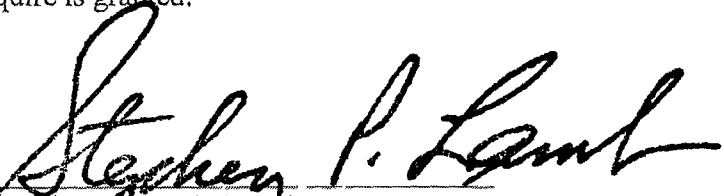
**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE**

IN THE MATTER OF:)
)
The Form A Statement Regarding the Acquisition of)
Control of Genworth Life Insurance Company, an)
indirect subsidiary of Genworth Financial, Inc., by)
Zhiqiang Lu; Tohigh Holdings Co., Ltd.; Oceanwide)
Group Co., Ltd.; China Oceanwide Holdings Group)
Co., Ltd.; Oceanwide Holdings Co., Ltd.; Oceanwide)
Capital Investment Management Group Co., Ltd.;)
Wuhan CBD Development & Investment Co., Ltd.;)
Tohigh Holdings Development Limited; Tonghai)
International Group Investment Limited; Asia Pacific)
Global Capital Co., Ltd.; Asia-Pacific Universe)
Investment (Hong Kong) Limited; Asia Pacific)
Insurance Holdings Limited; Asia Pacific Global)
Capital Limited; and Asia Pacific Insurance USA)
Holdings LLC)

Docket No. 3346-2016

ORDER ADMITTING JAMES J. BLACK, III, ESQUIRE PRO HAC VICE

IT IS HEREBY ORDERED this 27th day of November, 2018 that counsel's motion
for admission *pro hac vice* of James J. Black, III, Esquire is granted.



Stephen P. Lamb, Esquire
Hearing Officer