

How We Do Business Successfully in Volatile Markets and Global Turmoil?

The CBH Experience in Global Development

Q & A session with Moses Solemon

Chairman and CEO of CBH Inc.

•I believe that CBH is in an advantageous position in terms of know-how and capability. CBH provides life for concepts from the study and investment stage to the management and operations. There are very few project development houses in the world that can offer the complete cycle of project development the way we do.

•We begin by identifying the right investment opportunity, structuring the deal and build the business case for proper financing. We then go for design, build, manage and operate. We are realistic about the world growth, market cycles and our ability to manage in different global conditions.

•Selecting the right opportunity starts with a good look at the project, the partners, the potential, and the profit. The analysis of the right business mix is a complex process. The chemistry between partners has to be there to make the final investment work. It is a teamwork and group effort and not a solo dance. We operate within an orchestra and not jazz. •The Glass Box methodology provides our investors with greater transparency to monitor their invested capital in any stage. It helps us also cut the cost of development and increase the capital effectiveness. Our method allows us to seed most of the capital in the ground which is advantageous for the investor. We save time and money by doing everything under one roof with global competence and standardisation.

•The Knowledge power we use is based on vast, precise, accurate and detailed information. The power of analysis that follows is a complex series of contingency scenarios that integrates macro with micro economic planning. The paradox in getting a final "yes" or "no" is perplexing and often conflicting with the obvious. What is good for us that it works well and accurately in 96% of all cases with lead time no less than six months. This allows us to enter or exit a market position with reasonable ease and comfort.

•Glass Box is the method we use for investment. DOMO (develop, own, manage, and operate) is the method we deploy for projects. Ethical values guide our moral compass and show us the way to secure profit and guarantee investment. How We Do Business Successfully in Volatile Markets and Global Turmoil?



•We trust the judgment of global consulting firms, but we have our own logic and understanding. Our understanding is based on realities, history, status-quo, and the flow of events. Nothing happens until someone does something for some reason. We need to understand the motivation of the cause to know the effect and move prior of its happening.

•We do not fall in love with projects. We love numbers. The more accurate and higher returns they provide, the more appealing they become to us. The most favorite business project is the one that produces higher and quicker yields. We follow the road that leads to sustainable success. Continuity is successful business is a goal we seek for the tougher times.

•We watch, we listen, we analyze, and then act. We appreciate if someone tries to inform us something, but we do not feel comfortable when others try to influence our decisions. Our business decisions are made upon professional and not on personal basis. We are not intimidated easily by market fluctuations or temporary shakeups. We enter at the right time and exit at the right time. It is a logical decision and there are no emotions about that.

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•Global uncertainties have reduced the investment strategy cycle in most sectors of investment from a time span of years to few months. Add to that the cash scarcity in the banking vaults and you get the effect of adding insult to injury. However, we are not worried about the availability of funds. There is a fund for every good business opportunity. Our mission is to identify, own, manage and operate such a good investment.

•What comes after that is professional dedication combined with patience. People who go for the fast money do not live long enough to enjoy it. They get destroyed quick.

•We are working in specific sectors, in pre-defined geographical regions and to strict certain terms and conditions. We do not intend to deviate or change. We work to accomplish our shareholders interests. We will not entertain uncontrolled risky investments in any of our projects. All risks have to be calculated and managed. No one wishes to carry a ticking bomb. However, we are well prepared to manage various types of risks and eliminate them.

•For the next few years we look at ROI of 25% and higher. We prefer projects of diversified nature to enhance our immunity to market fluctuations and endurance in unfavorable global market conditions. We build a fail-safe economic investment model for our business. This is why we can survive in various conditions and continue business for the next fifty years where other businesses may not survive to the end of this decade.

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•We are an all-in-one "financiers, developers, and asset managers" and work with our partners on the basis of long term commitment. Such approach defines our school of business thought. We know it is a unique business style, however this is the only way we do business.

•We believe that there is no good economy and bad economy. There is good management and bad management. A good management turns liability into asset and creates more from less. And regardless of business size success is always measured by how much value was added and how much profit was made.

•Everyone wants to create a sustainable economy. However most of such economies rely on fossil fuels and electricity. Such economies are not sustainable because they're not failsafe. If the electric power fails they fail and the alternatives are not provided.

•CBH keeps a modest profile in foreign countries. This is an important point. We respect greatly the national feelings in the countries we have partnerships. We provide jobs during construction and operational management. We share the wealth through structured shareholding system available and affordable to many. With such attitude you can live longer and be considered part of the national fabric. People must feel and realize that the project is theirs, and that feeling must be real. Sense of ownership is important.

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•Local branding is a factor in the continuity of the success factor. The company brands itself as part of the national economy in the truest sense of the work. One generation after another, CBH is ready to understand the demographic and cultural change and adapt accordingly to continue to serve the people. We keep connecting with our clients in a positive, interactive and sincere relationship.

•Technology have changed fast and fundamentally in the last twenty years. CBH is ready to implement what is most important, practical, sustainable and affordable to use, maintain and manage. Vital, simple, smart, manageable and cost effective are key factors in our choice of technology in our townships and projects. To us, technology is the tool but not the goal.

•We think outside the box and create novel solutions and response scenarios for various challenges. Today's world is so complex and tricky that people fail to see that the best solutions are the ones before their eyes.