

## Management Discussion of Landstar Inc. Acquisition of Hubei Chuguan Industry Co. Ltd.

Dr. Yang Yang\*, a consultant and a company spokesperson based in Beijing, China provided additional insight into the pending spin-off of Hubei Chuguan Industry Co. Ltd. (Chuguan) to Landstar, Inc.

Although parts of this update may not be newsworthy to the general public, the Issuer has disseminated this update through a limited reach filing on the Pink OTC Markets Inc. This is part of our commitment to keep our shareholders well-informed of business developments and updates on a timely and regular basis.

Chuguan is a major manufacturer of products and services to the petro-chemical industry, and Pharmaceutical markets. It was founded in the 1990s by Chuguan Co., Ltd. to address the need for solutions to minimize petrochemical evaporation that occurs primarily during the transfer of volatile fluids that takes place throughout the petrochemical industry infrastructure. Under the leadership of Mr. Li Congtang, Chairman of the Board and CEO, the Company has developed several patented approaches to solve this problem, and is rolling out its services within the Chinese petrochemical industry, through a number of subsidiaries.



The first pilot gasoline gas recovery facility produced by Chuguan, now it is in Beijing Institute of Petro-chemical Technology

The Company's operations are substantial, with over \$70 million USD of capital investment in the Company. Sales are projected to reach RMB 150 to 300 billion Yuan within 1 to 2 years and RMB 400 to 500 billion Yuan within 3 to 4 years.



Vapor recovery unit  
Retail price \$ 30,000 USD

Strategic objectives include transforming the technological advantages of the company into market share growth and strive to lead domestic oil-gas recovery market, to become the largest local integration enterprise in China of oil-gas storage and delivery system of energy saving, environmental protection and storage and delivery safety.

Earlier this year the company began searching for advisors to enter the public markets. Mina Mar group was invited to present options regarding taking the Company public in the United States or Europe. The invitation stemmed from strong recommendations from

within both the public and private sector. Based on these meetings, Chuguan management selected and appointed Mina Mar as the exclusive consulting firm to shepherd the company in the process of becoming publicly traded.

While initially Chuguan was reluctant to use a pre-existing public company as the method of going public in the U.S., Mina Mar was able to demonstrate the benefits of this approach to Chuguan in terms of shortened timelines and ease of entry into the public markets using this approach.

In anticipation of these transactions, Mina Mar acquired the Landstar, Inc. shell for use as the ultimate public vehicle for Hubei Chuguan.

Our consultant has structured a series of transactions that will enable the Company to achieve these goals, and has financed the purchase of the targeted merger company Land Star, Inc. for Chuguan to be able to enter the U.S. securities market. The management has agreed that Landstar, Inc. is an ideal vehicle for continued growth to accommodate Chuguan's capital requirements to build its increasing market share in China, and to achieve full pink checkmark status (current issuer status) for Chuguan in a timely manner.

Mr. Winters made a very strong impression on Chuguan's management team, and they intend to invite him to sit on the Board of Directors and act as a company officer for Landstar once all the merger agreements have closed. This is a vital factor, in that Mr. Li does not speak English, and there is an obvious need to be able to transact corporate governance and financing issues in North American.

It should be noted that there have been enquiries by MonArc shareholders regarding Mr. Winter's role and possible ownership in Landstar. It should be clarified that he has no ownership interest in the Company. The decision to invite Mr. Winters to sit on the board is completely at the discretion of Hubei Chuguan, and he serves at the pleasure of the Company Chairman, Mr. Li. Mr. Li has made it clear that one '*unhappy investor is one to many*'. Mr. Winters has earned his confidence, and Mr. Li has made this clear in no uncertain terms.

Mina Mar is scheduled to return to China and meet with Chuguan later this month to iron out all of the contractual, regulatory and corporate governance details.

*\*Dr. Yang was previously Dean of University of Science and Technology Beijing, and has extensive experience in business development within the private sector in China. Dr. Yang works exclusively as a consultant with the Mina Mar Group China office, and advises Chinese companies on the topics of entering US and European public markets.*

LandStar, Inc. was originally incorporated as a Nevada corporation on May 4, 1998, for the purpose of purchasing, developing and reselling real property, with its principal focus on the development of raw land, but never had any operations. On March 31, 1999, the Company acquired approximately 98.5% of the common stock of Rebound Rubber Corp. pursuant to a share exchange agreement with Rebound Rubber Corp. Rebound Rubber Corp. owned an exclusive North American license granted by the Guangzhou Research Institute for the Utilization of Reusable Resources, P.R. of China (hereinafter the Guangzhou Research Institute), pursuant to a technology for the reclamation and de-vulcanizing of recycled rubber.

The Company ran into serious setbacks from which it was unable to recover, and was delisted and was unable to operate. Recently, Mina Mar financed the acquisition of the Company, and has resolved many outstanding corporate matters and restored it to a viable public Company.

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