

June 21, 2005

J.P. Bengoa, Esq.

attorneysatlaw@adinet.com.uy

Re: Claim of US\$10,350 ("Claim") by Etchegaray Associate Consultants ("EAC")

Dear Mr. J.P. Bengoa:

We, Puhua & Associates, acting as legal counsel to AIPTEK Pacific Inc. ("Aiptek"), were instructed by our client to respond to your previous emails to Aiptek for the captioned matter.

As to EAC's Claim of US\$10,350 for its Preliminary Business Plan ("Work") and attorney fees against Aiptek, below is our response after verification with Aiptek's relevant personnel:

1. There is no contract existing between EAC and Aiptek. Aiptek has repeatedly expressed its intention unequivocally to have a sales representative rather than a consultant in Uruguay. Aiptek never requested EAC to deliver any consulting services, let alone any consulting services agreement between EAC and Aiptek. The Work delivered by EAC shall be construed as EAC's internal preparation for inducing Aiptek to appoint EAC as a sales representative. Therefore, any and all expenses for the Work shall be borne by EAC based on the commercial customs and by law. We do not see any ground upon which EAC can rely on to claim for the Work.

2. In our opinion, Aiptek does not violate any Fair Trade Law or any other applicable laws of Taiwan. Based on our understanding, the Claim for the Work is made due to the misunderstanding by EAC, and, in addition, Aiptek did not use any unfair acts, either

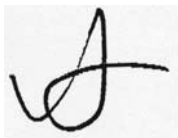
express or implied, during negotiation to mislead EAC to deliver the Work. Hence, we do not see any violation of applicable laws of Taiwan.

3. Notwithstanding, the above, solely for settlement purpose, Aiptek may consider paying EAC US\$3,000 (inclusive of any taxes to be imposed by Taiwan or Uruguay) as consideration for EAC's efforts, subject to the following conditions that : (1) EAC releases and discharges Aiptek from any and all claims and causes of action that EAC have, or may have in the future, regardless of the form of action whether in contract, tort or in equity, that was arising out of the captioned Claim; and (2) EAC assigns unconditionally all copyright or other intellectual property rights in the Work to Aiptek upon payment by Aiptek. **This offer will be expired after June 30, 2005.** Any counter proposal in excess of US\$3,000 will not be considered or accepted by Aiptek. That means any attorney fee charged to EAC shall be borne by EAC. If you agree with the foregoing conditions, for the requirement of Aiptek's payment process, please kindly confirm your agreement by returning this letter with EAC's signature.

Finally, please be advised that we cannot find the "Legal Report" mentioned in all e-mails sent from either you or EAC. Should you have any questions, please do not hesitate to contact us.

Sincerely,

Puhua & Associates



Shao-shu HUNG, attorney-at-law

We hereby agreed and accept the conditions set forth in item 3 of this letter.

EAC

By: [signature]

Name:

Title:

Date: