



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

April 7, 2011

Via e-mail  
Allen Zhang  
Chief Financial Officer  
Pansoft Company Limited  
3/F Qilu Software Park Building  
Jinan Hi-Tech Zone,  
Jinan, Shandong, PRC 250101

**Re: Pansoft Company Limited  
Form 20-F  
Filed November 8, 2010  
File No. 001-34168**

Dear Mr. Zhang:

We have reviewed your letter dated March 8, 2011 in connection with the above-referenced filing and have the following comments. In our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter within ten business days by providing the requested information or by advising us when you will provide the requested response. If you do not believe our comments apply to your facts and circumstances or do not believe an amendment is appropriate, please tell us why in your response.

After reviewing any amendment to your filing and the information you provide in response to this comment, we may have additional comments. Unless otherwise noted, where prior comments are referred to they refer to our letter dated February 22, 2011.

Form 20-F for the Year Ended June 30, 2010

General

1. We note that the company's outside legal counsel made the Tandy representations in your response letter. Please confirm that Morgan Lewis is acting as agent for the company in making such representations and provide a copy of the company's written authorization granting them permission to make such authorizations. Alternatively, please provide these representations in a letter signed by a representative of the company.

Item 5. Operating and Financial Review and Prospects

Liquidity and Capital Resources, page 37

2. We note your response to prior comment 2 and your proposed revised disclosures where you state the difference between accumulated profit as calculated under PRC accounting standards and retained earnings as calculated under U.S. GAAP was \$4,794,638. It is unclear from your disclosures whether accumulated profits as determined under PRC standards are more or less than U.S. GAAP retained earnings. Please revise to disclose the actual amount that is available to PCCL for dividend payments.
3. We note your response and proposed disclosure to our prior comment 4. Please explain further the billing terms of your large-scale software contracts and clarify when formal invoicing occurs in relation to when revenue is recognized. In this regard, given the historical length of time between the recognition of revenue and final invoicing and collection, clarify whether invoicing occurs only upon project completion. Further, you state in your response that the final invoicing process “must be coordinated with [your] clients’ payment approval policies.” Explain further the company’s role in negotiating the timing of such invoicing, if any. In addition, explain how or why the Chinese New Year affects the timing of invoicing and the collection of your unbilled revenues.

Note 2. Significant Accounting Policies

Revenue Recognition, page 65

4. Please explain further why you defer recognizing a portion of the software system integration and development services revenue until the warranty period expires as opposed to recognizing such revenue over the warranty period. Please cite the specific accounting guidance you relied upon.

Note 12. Statutory Reserves, page 73

5. We note from the proposed disclosures provided in response to comment 2 that your ability to pay dividends to shareholders depends on the ability of PCCL to pay dividends to the company. Tell us how you considered the requirements of Rule 4-08(e)(3) of Regulation S-X to include a discussion of these restrictions in the financial statement footnotes. In addition, tell us how you considered Rule 5-04 of Regulation S-X in determining whether audited information for the parent company only is required. Please provide the calculations that support your conclusions.

Allen Zhang  
Pansoft Company Limited  
April 7, 2011  
Page 3

You may contact Megan Akst, Staff Accountant at (202) 551-3407 if you have questions regarding comments on the financial statements and related matters. Please contact me at (202) 551-3499 with any other questions.

Sincerely,

/s/ Kathleen Collins

Kathleen Collins  
Accounting Branch Chief