



DIVISION OF
CORPORATION FINANCE

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

October 5, 2010

Chung-Lun Yang
Chief Executive Officer
ACL Semiconductors Inc.
B24-B27, 1/F., Block B
Proficient Industrial Centre
6 Wang Kwun Road
Kowloon, Hong Kong

Re: ACL Semiconductors Inc.
Form 10-K for the fiscal year ended December 31, 2009
and Amendment No. 1 and Amendment No. 2
Filed on April 15, 2010, April 22, 2010 and September 22, 2010
File No. 000-50140

Dear Mr. Yang:

We have reviewed your filings and the information provided on August 9, 2010, have the following comments. We have limited our review to only your financial statements and related disclosures and do not intend to expand our review to other portions of your documents. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please response 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 these comments, we may have additional comments.

Note 15. Restatements, page F-33

1. We refer to your response to prior comment 10. We see that you restated to reverse real property impairment originally recognized in 2008. We further see that the amended filings appear to attribute the restatement to a misapplication of guidance related to fair values. Under FASB ASC 360-10-35-17 (and under your accounting policy in Note 2), impairment of real property is recognized when the carrying amount is (1) not recoverable and (2) exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Further, an impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. To help us better understand your disclosure, please respond to the following:
 - Tell us more clearly how you applied FASB ASC 360-10-35-17 in the initial judgment and subsequently revised judgment regarding the impairment charge. Tell us how you tested the underlying assets for recoverability.
 - In any relevant future filings, please revise the description of the reasons for the restatement to better connect your explanation to your disclosed accounting policy and the cited guidance. For instance, if true, clarify that there was no shortfall of estimated future undiscounted cash flows at the time the assets were tested for impairment in 2008.

Form 10-Q for the quarter ended June 30, 2010

Consolidated Statements of Cash Flows, page 4

2. We refer to your response to prior comment 27. While you indicate that your accounting policy for inventory impairment is consistent with SAB Topic 5-BB and FASB ASC 330-10-35-14, the cash flow statement presentation of what you characterize as a “reserve” does not appear consistent with the underlying accounting theory, which indicates that impairment charges establish a new cost basis for impaired inventory. In that regard, while impairment charges are non-cash charges that should be shown as a reconciling item in the operating section of the cash flow statement, when material, reductions in the “reserve” should be netted with the change in the carrying amount of inventory because impairment charges establish a new cost basis for impaired inventory. Please appropriately revise in future filings.

Note 2. Summary of Significant Accounting Policies

Mr. Chung-Lun Yang
ACL Semiconductors Inc.
September 30, 2010
Page 3

(i) Inventories, page 10

3. We refer to your response to prior comment 27. In future filings please also disclose how your accounting policy for inventory impairment is consistent with SAB Topic 5-BB and FASB ASC 330-10-35-14. That is, expand to disclose that inventory impairment charges establish a new cost basis for impaired inventory for subsequent accounting purposes.

Note 3. Inventories, page 15

4. We see the amount reported on the balance sheet as “Inventories, net” differs from the total of the detail in Note 3. Please make any necessary revisions in future filings.

You may contact Jeanne Bennett at (202) 551-3606 or Gary R. Todd at (202) 551-3605, if you have questions regarding our comments. In their absence you may contact me at (202) 551-3676

Sincerely,

for

Brian R. Cascio
Accounting Branch Chief,