**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, DC 20549

# FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

**For the quarterly period ended June 30, 2009**

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number **000-08161**

# DIONICS, INC.

(Exact name of Registrant as Specified in its Charter)

| | |
|---|---|
| **Delaware** | **11-2166744** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification Number) |
| **65 Rushmore Street** **Westbury, New York** | **11590** |
| (Address of principal executive offices) | (Zip Code) |

**(516) 997-7474**
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes [ ] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

| | | | |
|---|---|---|---|
| Large accelerated filer | [ ] | Accelerated filer | [ ] |
| Non-accelerated filer | [ ] | Smaller reporting company | [ X ] |

Indicate by check mark whether the Issuer is a shell company (as defined by Rule 12b-2 of the Exchange Act).
Yes [ ] No [ X ]

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date: The number of shares outstanding of the Common Stock ($.01 par value) of the Issuer as of the close of business on August 1, 2009 was 9,928,678.

**DIONICS, INC.**

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## PART I – FINANCIAL INFORMATION

**Item 1. Financial Statements**

DIONICS, INC.
FINANCIAL STATEMENTS

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Period Ended June 30, 2009

**DIONICS, INC.**
**BALANCE SHEETS**

| | | June 30, 2009 (Unaudited) | | December 31, 2008 |
|---|---|---|---|---|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | $ | 130,300 | $ | 300,000 |
| Accounts receivables - net of allowance of $5,300 in 2009 and $5,300 in 2008- (Notes 1 and 2) | | 82,300 | | 86,100 |
| Inventory - (Note 1) | | 151,300 | | 159,300 |
| Prepaid expenses | | 6,400 | | 8,600 |
| Total Current Assets | | 370,300 | | 554,000 |
| Property, plant and other equipment, net of accumulated depreciation of $1,422,600 in 2009 and $1,422,400 in 2008 - (Notes 1 and 3) | | 200 | | 400 |
| Other assets | | 21,100 | | 21,100 |
| TOTAL ASSETS | $ | 391,600 | $ | 575,500 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | | | |
| Current Liabilities: | | | | |
| Accounts payable | $ | 8,700 | $ | 42,200 |
| Accrued expenses | | 21,400 | | 31,200 |
| Deferred compensation - current (Note 4) | | 0 | | 301,000 |
| Total Current Liabilities | | 30,100 | | 374,400 |
| Long-Term Liabilities | | | | |
| Note Payable-Officer | | 225,000 | | 0 |
| TOTAL LIABILITIES | | 255,100 | | 374,400 |
| Stockholders' equity (deficiency) | | | | |
| Common Stock / $.01 par value, 51,000,000 shares authorized, shares issued and outstanding - 10,093,222 in 2009 and 2008 | | 100,900 | | 100,900 |
| Additional paid in capital | | 1,966,800 | | 1,966,800 |
| Accumulated Deficit | | (1,710,600) | | (1,646,000) |
| | | 357,100 | | 421,700 |
| Less: Treasury Stock at cost (164,544 Shares in 2008 and 2007) | | (220,600) | | (220,600) |
| TOTAL STOCKHOLDERS' EQUITY | | 136,500 | | 201,100 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | $ | 391,600 | $ | 575,500 |

The accompanying notes are an integral part of the financial statements.

**DIONICS, INC.**
**STATEMENTS OF OPERATIONS**
**For the six month period ended June 30,**
**(Unaudited)**

| | For the six months ended June | |
|---|---|---|
| | 2009 | 2008 |
| Net sales | $ 370,600 | $ 607,300 |
| Cost of sales | 284,500 | 345,600 |
| Gross profit | 86,100 | 261,700 |
| Selling, general and administrative expenses | 152,800 | 154,900 |
| Earnings (loss) from operations | (66,700) | 106,800 |
| Other income (Note 1 and 7) | 2,100 | 900 |
| Interest expense | | (2,400) |
| Net income (loss) before income taxes | (64,600) | 105,300 |
| Income taxes and benefits (Note 5) | 0 | 0 |
| Net income (loss) | $ (64,600) | $ 105,300 |
| Basic earnings per share | $ (0.007) | $ 0.011 |
| Weighted average number of shares outstanding | 9,842,722 | 9,303,886 |

The accompanying notes are an integral part of the financial statements.

**DIONICS, INC.**
**STATEMENTS OF OPERATIONS**
**For the three month period ended June 30,**
**(Unaudited)**

| | For the three months ended June | | | |
|---|---|---|---|---|
| | | 2009 | | 2008 |
| Net sales | $ | 201,000 | $ | 355,700 |
| Cost of sales | | 136,000 | | 189,300 |
| Gross profit | | 65,000 | | 166,400 |
| Selling, general and administrative expenses | | 67,000 | | 84,000 |
| Earnings (loss) from operations | | (2,000) | | 82,400 |
| Other income (Note 1 and 7) | | 2,100 | | 500 |
| Interest expense | | | | (2,400) |
| Net income (loss) before income taxes | | 100 | | 80,500 |
| Income taxes and benefits (Note 5) | | 0 | | 200 |
| Net income (loss) | $ | 100 | $ | 80,700 |
| Basic earnings per share | $ | 0.000 | $ | 0.009 |
| Weighted average number of shares outstanding | | 9,842,722 | | 9,303,886 |

The accompanying notes are an integral part of the financial statements.

**DIONICS, INC.**
**STATEMENTS OF SHAREHOLDER'S EQUITY**
**For the six month period ended June 30, 2009**

| | Common Stock | | Additional | | Treasury Stock | | |
|---|---|---|---|---|---|---|---|
| | Number of Shares | Value | Paid in Capital | Deficit | Number of Shares | Cost | Total |
| Balance as of December 31, 2006 | 9,420,722 | $ $94,200 | $ 1,957,100 | $ (1,965,400) | 164,544 | $ (220,600) | $ (134,700) |
| Net income | | | | 119,500 | | | 119,500 |
| Balance as of December 31, 2007 | 9,420,722 | $ 94,200 | $ 1,957,100 | $ (1,845,900) | 164,544 | $ (220,600) | $ (15,200) |
| Shares issued - May 16, 2008 | 672,500 | 6700 | 9700 | | | | 16,400 |
| Net income | | | | 199,900 | | | 199,900 |
| Balance as of December 31, 2008 | 10,093,222 | $ 100,900 | $ 1,966,800 | $ (1,646,000) | 164,544 | $ (220,600) | $ 201,100 |
| Net (loss) | | | | (64,600) | | | (64,600) |
| Balance as of June 30, 2009 (unaudited) | 10,093,222 | 100,900 | 1,966,800 | (1,710,600) | 164,544 | (220,600) | 136,500 |

The accompanying notes are an integral part of the financial statements.

**DIONICS, INC.**
**STATEMENTS OF CASH FLOWS**
**For the six month period ended June 30,**
**(unaudited)**

| | 2009 | 2008 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income (loss) | $ (64,600) | $ 105,300 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 200 | 400 |
| Change in operating assets and liabilities: | | |
| (Increase) Decrease in: | | |
| Accounts receivable | 3,800 | (43,200) |
| Prepaid expenses | 2,200 | (1,700) |
| Inventory | 8,000 | 0 |
| Other assets | 0 | 0 |
| Increase (Decrease) in: | | |
| Accounts payable | (33,500) | (16,300) |
| Accrued expenses | (9,800) | 13,200 |
| Increase in Common Stock | 0 | 5,700 |
| Additional Paid in Capital | 0 | 5,700 |
| Net cash provided by (used for) operating activities | (93,700) | 69,100 |
| Cash flow provided by (used for) investing activities | 0 | 0 |
| | 0 | 0 |
| Cash flow provided by (used for) financing activities: | | |
| Payment of Deferred compensation (note 7) | (301,000) | 0 |
| Shareholder loan | 225,000 | (29,000) |
| | (76,000) | (29,000) |
| Net increase (decrease) in cash | (169,700) | 40,100 |
| Cash at beginning of period | $ 300,000 | 151,500 |
| Cash at end of period | 130,300 | $ 191,600 |

The accompanying notes are an integral part of the financial statements.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The interim financial statements presented herein are unaudited and should be read in conjunction with the audited financial statements presented in the Company's Annual report on Form 10-K for the year ended December 31, 2008. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the financial position, results of operations and cash flows of the Company for the periods presented have been reflected herein. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year.

Business

The Company designs, manufactures and sells silicon semiconductor electronic products, as individual discrete components, as multicomponent integrated circuits and as multicomponent hybrid circuits.

Use of Estimates in the Preparation of Financial Statements

The unaudited financial statements have been prepared in accordance with generally accepted accounting principles in the United States which require us to make estimates and assumptions that may materially affect the reported amounts of assets and liabilities at the date of the unaudited financial statements and revenues and expenses during the periods reported. Actual results could differ from those estimates.

Cash and cash equivalents

Holdings of highly liquid investments with maturities of three months or less, when purchased, are considered to be cash equivalents. The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair values. The amount of federally insured cash deposits was $40,000 as of June 30, 2009 and $74,000 as of December 31, 2008. Interest Income is earned from money market fund. Interest income was $1,000 as of June 30, 2009 and $400 as of December 31, 2008.

Fair Values of Financial Instruments

The carrying amount of trade accounts receivable, accounts payable, prepaid and accrued expenses, bonds and notes payable, and amounts due to shareholders, as presented in the balance sheet, approximates fair value.

Accounts Receivable

Accounts for which no payments have been received for three consecutive months are considered delinquent and a reserve is setup for them. Customary collection efforts are initiated and an allowance for uncollectible amounts is set up and the related expense is charged to operations.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued):**

Merchandise Inventory

Inventories are stated at the lower of cost (which represents cost of materials and manufacturing costs on a first-in, first-out basis) or market. Cost is determined principally on the average actual cost method. Finished goods and work-in-process inventories include material and labor. The Company monitors usage reports to determine if the carrying value of any items should be adjusted down due to lack of demand for the item. The Company adjusts down the inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand and market conditions. If actual market conditions are less favorable than those projected by management, additional inventory write-down may be required.

Inventories are comprised of the following:

| | June 30, 2009 | December 31, 2008 |
|---|---|---|
| Raw materials (net of reserves) | $ 5,500 | $ 5,800 |
| Work in process | 88,200 | 92,800 |
| Finished Goods | 57,600 | 60,700 |
| | $ 151,300 | $159,300 |

Long-Lived Assets – Property, Plant and Equipment

These assets are recorded at cost less depreciation and amortization. Depreciation and Amortization are accounted for on the straight-line methods based on estimated useful lives. The amortization of leasehold improvements is based on the shorter of the lease term or the life of the improvement. Betterments and large renewals, which extend the life of the asset, are capitalized whereas maintenance and repairs and small renewals are expensed, as incurred. The estimated useful lives are: machinery and equipment, 7-15 years; buildings, 30 years; and leasehold improvements, 10-20 years.

Notes Payable

The Company accounts for all notes that are due and payable in one year as short term notes.

Revenue

The Company recognizes revenue upon completion and shipment of goods because its billing terms include the provision that the goods are shipped FOB point of shipment which is standard practice in the Company's industry.

Bad Debt

The Company maintained an allowance for doubtful accounts of $5,300 at June 30, 2009 and December 31, 2008.

Stockholders' Equity

On May 16, 2008, the Company granted an aggregate of 472,500 shares of common stock to certain employees, and 100,000 shares of common stock to a director of the Company for services rendered to the Company. On October 2, 2008, the Company granted 100,000 shares of common stock to an employee for services rendered.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued):**

Major Customers

For the six months ended June 30, 2009, approximately 52% of total sales were the Company's three largest customers.

Basic Earnings Per Share

Basic earnings per share ("EPS") are computed based on the weighted average number of common shares outstanding for the period. Diluted EPS gives effect to all dilutive potential shares outstanding (i.e. options and warrants) during the period.

For the six months ended June 30, 2009, basic loss per share of the Company was $(.007) per share. For the three months ended June 30, 2008, basic earnings per share of the Company was $.011 per share.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. There were no deferred taxes for the period ending December 31, 2008 and December 31, 2007.
See NOTE 6.

**NOTE 2 – TRADE ACCOUNTS RECEIVABLE**

Trade accounts receivable were as follows:

| | June 30, 2009 | December 31, 2008 |
|---|---|---|
| Trade accounts receivable | $ 87,600 | $ 91,400 |
| Less: allowance for doubtful accounts | 5,300 | 5,300 |
| | $ 82,300 | $ 86,100 |

Bad debt expense for the six month period ended June 30, 2009 was $100. There was no bad debt expense for the period ended June 30, 2008.

**NOTE 3 – PROPERTY, PLANT AND EQUIPMENT**

Property, Plant and Equipment consisted of the following:

| | June 30, 2009 | December 31, 2008 |
|---|---|---|
| Equipment | $ 1,189,500 | $ 1,189,500 |
| Furniture and Fixtures | $ 233,300 | $ 233,300 |
| | $ 1,422,800 | $ 1,422,800 |
| Less: accumulated depreciation | ($1,422,600) | ($1,421,400) |
| Less: accumulated depreciation | $ 200 | $ 400 |

Depreciation expenses for the six months ended June 30, 2009 were $200 and for the year ended December 31, 2008 were $800.

**NOTE 4 – DEFERRED COMPENSATION PAYABLE:**

In 1987, the Company entered into a salary continuation agreement, amended in 1997 and 1998, with its chief executive officer (the "deferred compensation agreement") which provides for payments to be paid to the executive officer. In May 2004, and as required under an investment made by a third party, the executive officer agreed to forgive $200,000 of amounts due to him under the deferred compensation agreement and postpone any and all remaining payments due him under the deferred compensation agreement for a period of five years starting May 18, 2004. As of May 1, 2009, there was a remaining balance of $301,000 owing to the executive officer which was scheduled to become due and payable as of May 18, 2009 following the expiration of the five year postponement described above.

Pursuant to an agreement entered into on May 1, 2009 between the Company and the chief executive officer, the executive officer agreed to sell, transfer and assign to the Company his remaining interest in the deferred compensation agreement in exchange for which the Company agreed to pay the executive $75,000 in cash and issue the executive officer a convertible promissory note in the principal amount of $225,000 which shall be due and payable in three years with 5% annual interest payable quarterly. The principal shall at the option of the executive officer be convertible into shares of the Company's common stock at a conversion price of $0.09 per share if converted during the first year, $0.14 per share if converted during the second year, and $0.19 per share if converted during the third year.

The agreed amount of $300,000 was $1,000 less than the deferred compensation. This $1,000 difference is considered forgiveness of debt and is included in the Other Income section on the Income Statement.

Interest on the promissory note in the amount of $1,875 was accrued for the two month period May 1, 2009 to June 30, 2009.

**NOTE 5 – TAXES AND NET OPERATING LOSS CARRY FORWARDS:**

The Federal Net Operating Loss Carry forwards are as follows:

| Year | Amount | Year of Expiration |
|---|---|---|
| 2002 | $ 460,401 | 2017 |
| 2003 | 258,213 | 2018 |
| 2004 | 35,802 | 2019 |
| 2006 | 48,524 | 2021 |
| 2008 | 710 | 2023 |
| | $ 803,650 | |

The New York State Net Operating Loss Carry forwards are as follows:

| Year | Amount | Year of Expiration |
|---|---|---|
| 2002 | $ 432,797 | 2017 |
| 2003 | 257,316 | 2018 |
| 2004 | 34,380 | 2019 |
| 2006 | 48,524 | 2021 |
| | $ 773,017 | |

**NOTE 5 – TAXES AND NET OPERATING LOSS CARRY FORWARDS (continued):**

As of June 30, 2009 and December 31, 2008, the components of deferred tax assets were as follows:

| | June 30, 2009 | December 31, 2008 |
|---|---|---|
| Accounts receivable allowance | $ 1,800 | $ 1,800 |
| Net operating loss-carry-forward | 348,400 | 326,400 |
| Total gross deferred tax assets (at 34% statutory rate) | 350,200 | 328,200 |
| Less: Valuation allowance | (350,200) | (328,200) |
| Net deferred tax assets | $ 0 | $ 0 |

Under the provisions of SFAS 109, NOLs represent temporary differences that enter into the calculation of deferred tax assets. Realization of deferred tax assets associated with the NOL is dependent upon generating sufficient taxable income prior to their expiration.

Management believes that there is a risk that certain of these NOLs may expire unused and, accordingly, has established a valuation allowance against them. Although realization is not assured for the remaining deferred tax assets, based on the historical trend in Company sales and profitability, sales backlog, and budgeted sales management believes it is likely that they may not be totally realized through future taxable earnings. In addition, the net deferred tax assets could be reduced in the near term if management's estimates of taxable income during the carry forward period are significantly reduced.

The Company believes it is possible that the benefit of these additional assets may not be realized in the future.

**NOTE 6 – COMMITMENTS AND CONTINGENIES:**

The Company has an agreement with its chief executive officer to pay to his widow or estate for a period of five (5) years following his death an amount per year equal to the annual salary being earned by him at the time of his death, provided that he was an employee of the Company at the time of his death. Such arrangements had previously been funded by life insurance policies owned by the Company on his life, however, currently there are no insurance policies.

On April 20, 2005, the Company entered into an Acquisition Agreement with 65 Rushmore Realty, LLC (the "Purchaser") pursuant to which the Purchaser agreed to purchase the Company's property located at 65 Rushmore Street, Westbury, NY for the sum of $990,000. The closing was subject to certain conditions including but not limited to an environmental inspection of the property and the Company entering into a seven year lease to continue to occupy the property after closing. On July 27, 2005, the Company completed the sale of the property and signed the lease.

The lease agreement is a triple net lease and is for a period of seven years with a base annual rent of $83,300 to be paid in monthly installments of $6,900. This annual rent is subject to annual increases based on the Consumer Price Index for All Urban Consumers of the United States Department of Labor Bureau of Labor Statistics in effect for New York and Northern New Jersey starting August 1, 2009. The Company has the right to terminate the lease prior to the expiration upon 120 days notice to the landlord.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following should be read in conjunction with the financial statements of the Company included elsewhere herein.

### Forward-Looking Statements

This report contains certain forward-looking statements and information relating to the Company that are based on the beliefs and assumptions made by the Company's management as well as information currently available to the management. When used in this document, the words "anticipate", "believe", "estimate", and "expect" and similar expressions, are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected.

### Liquidity and Capital Resources

At the close of the First Quarter of 2009, the Company's cash position made it clear that it could not possibly be able to make the much-delayed $301,000 Deferred Compensation payment owed to its CEO, and due for payment on May 18, 2009. This resulted in a new agreement, entered into on May 1, 2009, in which the CEO consented to sell back to the Company his interest in the earlier Deferred Compensation agreement. The Company paid him $75,000 in cash to repurchase the original agreement and issued to him a new three-year convertible promissory note in the principal amount of $225,000. Among the terms of the note, the CEO is provided the right to convert the debt into common shares of the Company's stock, at gradually rising prices during the three-year period. The net effect of the above repurchase transaction was to leave the Company with sufficient operating capital for the near-term foreseeable future.

The Company's primary source of funds is cash flow from operations in the normal course of business. On June 30, 2009 we had Working Capital of $340,200, a debt-to-equity ratio of 1.65:1, and Stockholder's Equity of $136,500. Total Assets were $391,600 and Total Liabilities were $255,100 as of June 30, 2009 compared to Total Assets of $575,500 and Total Liabilities of $374,400 at December 31, 2008.

Net Cash used for operating activities for the six-months ended June 30, 2009 was $93,700 which was primarily a result of a net loss of $64,600 plus a decrease in Accounts Payable of $33,500 and Accrued Expenses of $9,800, offset by a decrease in Inventory of $8,000. This compares to net cash provided by operating activities for the six-months ended June 30, 2008 of $69,100 which was mainly the result of net income of $105,300 offset primarily by an increase of $43,200 in Accounts Receivable, and a decrease of $16,300 in Accounts Payable, balanced by an increase in Accrued Expenses of $13,200 and an increase in Common Stock and Additional Paid in Capital of $11,400 resulting from non-cash stock-based compensation. For the six months ended June 30, 2009 and 2008, there were no cash flow provided by (used for) investing activities. Cash flow used for financing activities was $76,000 for the six months ended June 30, 2009 resulting from the agreement entered into on May 1, 2009 with the Company's Chief Executive Officer in which the CEO consented to sell back to the Company his interest in the earlier Deferred Compensation agreement. This compares to cash flow used for financing activities of $29,000 for the six months ended June 30, 2008 due to the repayment to the CEO of loans previously made to the Company.

### Results of Operations

Toward the end of 2008, it became obvious that a worldwide recession was taking place. New order bookings fell sharply, and have remained at a low level since then, although at this writing, early in August of 2009, there are some encouraging signs of a very modest upturn. First-Half 2009 financial performance showed the recession's effects with a 39% reduction in Sales volume, although the Second Quarter of 2009 was sequentially somewhat improved in Sales volume compared to the First Quarter, with $201,000 versus $169,600.

Sales volume in the First-Half of 2009 was $370,600 as compared to $607,300, showing the above-mentioned 39% reduction, mostly attributable to lower customer order inputs.

Cost of Sales in the First-Half of 2009 was $284,500 or 76.7 % of sales, compared to $345,600 or 56.9 % of sales in the First-Half of 2008. The Cost of Sales percentage was higher in the current six-month period partly due to lower manufacturing efficiency on lower sales volume, and partly because of the higher unit-profitability on “life-time buy” sales that were present in last year’s results but not in the current results.

A “life-time buy” describes the action of a customer who has determined to currently purchase and take into his possession all the units he may need over the extended future life-time of a project he is using them in. In the First Half of 2009 there were no sales attributable to a life-time buy, whereas in the First-Half of 2008 approximately 30% of sales were attributable to such an event.

Gross Profits in the First-Half of 2009 were $86,100 as compared to $261,700 in the First-Half of 2008, again showing the benefits of both higher sales volume and higher unit-profitability inherent in life-time buys.

Selling, General and Administrative Expenses for the First-Half of 2009 were essentially unchanged from those of the First-Half of 2008, with $152,800 versus $154,900 last year. Most items that go into these totals are largely, although not totally, fixed in nature, evidenced by the First Quarter of 2009 still showing the effects of certain continued and overlapping payments against year-end auditing and legal activities. Conversely, the Second Quarter of 2009 saw the Company succeed in reducing certain expenses within the SG&A category, as part of its overall cost-reduction efforts.

Net Income (Loss) After Taxes showed a Net Loss of $64,600 in the First-Half of 2009 versus Net Income of $105,300 for the First-Half of 2008. The primary causes for the change were the lower sales volume, the resulting lower manufacturing efficiencies and the overlap of certain professional fees into the new year.

Sales volume in the Second Quarter of 2009 fell 43.5% to $201,000, as compared to $355,700 in the same period last year, but were up sequentially by 18.5% over the First Quarter of 2009. Both sales volume comparisons were driven mostly by incoming customer order/ rates.

Cost of Sales in the Second Quarter of 2009 was $136,000, or 67.7 % of sales, as compared to $189,300 or 53.2% of sales, showing again the effects of higher manufacturing efficiencies with higher sales volume and higher unit-profitability on life-time buy products.

Gross Profits in the Second Quarter of 2009 were $65,000 as compared to $189,300 in the same period last year, again showing the benefit of both higher volume and life-time buys in the Second Quarter of 2008.

Selling, General and Administrative Expenses in the Second Quarter of 2009 were $67,000 as compared to $84,000 in the Second Quarter of 2008 reflecting both cost-cutting efforts in the current period and the presence of higher professional fees in the year-earlier period from auditing and legal services.

Net Income (Loss) After Taxes showed Income of $100 for the Second Quarter of 2009 versus Income of $80,700 in the year-earlier period. The primary causes for the change were the lower sales volume, the resulting lower manufacturing efficiencies and the absence of higher unit-profitability from life-time buy sales which did not occur during he current period.

At the time of this writing, early in August of 2009, business continues at a low level, although Management draws some encouragement from a recent slight increase in order activity and promising discussions with customers about projected new orders. Our primary technology thrust remains focused on the large market potential for our optically-isolated photovoltaic (PV) MOSFET-Drivers. We are using this slower period to both enhance our product performance and also to explore a variety of other growth opportunities. Although we are entering the traditionally slow Third Quarter, confidence in the future remains solid. Management reminds the reader that Dionics, Inc. has frequently proven capable, even in the toughest times, of finding yet another “rabbit in the hat.”

**Off-Balance Sheet Arrangements**

We do not have any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, and results of operations, liquidity or capital expenditures.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

**Item 4T. Controls and Procedures**.

Under the supervision and with the participation of our management, including the Principal Executive Officer and Principal Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, our Principal Executive Officer and Principal Financial Officer has concluded that, as of June 30, 2009, these disclosure controls and procedures were effective to ensure that all information required to be disclosed by us in the reports that we file or submit under the Exchange Act is: (i) recorded, processed, summarized and reported, within the time periods specified in the Commission’s rule and forms; and (ii) accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no significant changes in our internal controls over financial reporting that occurred during the fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

**Item 1. Legal Proceedings.**

There are no material pending legal proceedings to which the Company is a party or to which any of its property is subject.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

None.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Submission of Matters to a Vote of Security-Holders.**

None.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

(a) Exhibits.

| | |
|---|---|
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act) |
| 31.2 | Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act) |
| 32.1 | Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) |

## SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

**DIONICS, INC.**
(Registrant)

Dated: August 13, 2009

By: /s/ Bernard Kravitz
Bernard Kravitz, President

Dated: August 13, 2009

By: /s/ Bernard Kravitz
Bernard Kravitz, Principal Financial Officer

Exhibit 31.1

**CERTIFICATION**

I, Bernard Kravitz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dionics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acr Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 13, 2009

By: /s/ Bernard Kravitz
Bernard Kravitz,
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION**

I, Bernard Kravitz certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dionics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Acr Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 13, 2009

By: /s/ Bernard Kravitz
Bernard Kravitz,
Principal Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE**
**SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Dionics, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2009, as filed with the Securities and Exchange Commission (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of the undersigned's knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2009

By: /s/ Bernard Kravitz
Bernard Kravitz,
President and Chief Executive Officer
(Principal Executive Officer)

Dated: August 13, 2009

By: /s/ Bernard Kravitz
Bernard Kravitz,
Principal Financial Officer