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 September 30, 2010

[ ] 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 November 1, 2010 was 20,928,678.

DIONICS, INC.

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

DIONICS, INC.
FINANCIAL STATEMENTS

TABLE OF CONTENTS

Period Ended September 30, 2010

DIONICS, INC.
BALANCE SHEETS

		September 30, 2010 (Unaudited)		December 31, 2009 (Audited)
ASSETS				
Current Assets:				
Cash and cash equivalents	$	187,900	$	416,500
Accounts receivable - net of allowance of $5,300 in 2010 and $5,300 in 2009		79,200		22,500
Inventory		164,000		143,500
Prepaid expenses		18,600		19,100
Total Current Assets		449,700		601,600
Property, plant and other equipment, net of accumulated depreciation of $1,423,000 in 2010 and $1,422,800 in 2009		22,700		0
Other assets		21,100		21,100
TOTAL ASSETS	$	493,500	$	622,700
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Accounts payable	$	37,500	$	19,800
Accrued expenses		15,400		5,700
Total Current Liabilities		52,900		25,500
Convertible Note Payable, Officer		225,000		225,000
TOTAL LIABILITIES		277,900		250,500
Stockholders' equity				
Common Stock / $.01 par value, 50,000,000 shares authorized, shares issued and outstanding - 21,993,222 and 21,093,222 in 2010 and in 2009, respectively		219,900		210,900
Preferred Stock / $.01 par value, 1,000,000 shares authorized, 0 shares issues and outstanding				
Additional paid in capital		2,395,800		2,296,800
Accumulated Deficit		(2,179,500)		(1,914,900)
		436,200		592,800
Less: Treasury Stock at cost (164,544 Shares in 2010 and 2009)		(220,600)		(220,600)
TOTAL STOCKHOLDERS' EQUITY		215,600		372,200
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$	493,500	$	622,700

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

DIONICS, INC.
STATEMENTS OF OPERATIONS
For the nine month period ended September 30,
(Unaudited)

	2010	2009
Net sales	$ 567,200	$ 457,300
Cost of sales	472,600	395,500
Gross profit	94,600	61,800
Selling, general and administrative expenses	360,900	228,000
Earnings (loss) from operations	(266,300)	(166,200)
Other income	1,700	2,100
Interest expense	0	(4,700)
Net income (loss) before income taxes	(264,600)	(168,800)
Income taxes and benefits	0	0
Net income (loss)	$ (264,600)	$ (168,800)
Basic earnings per share	$ (0.012)	$ (0.017)
Weighted average number of shares outstanding	21,244,870	9,842,722

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

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

	2010	2009
Net sales	$ 143,800	$ 86,700
Cost of sales	153,800	111,000
Gross profit	(10,000)	(24,300)
Selling, general and administrative expenses	200,000	77,100
Earnings (loss) from operations	(210,000)	(101,400)
Other income	300	0
Interest expense	0	(2,800)
Net income (loss) before income taxes	(209,700)	(104,200)
Income taxes and benefits	0	0
Net income (loss)	$ (209,700)	$ (104,200)
Basic earnings per share	$ (0.010)	$ (0.011)
Weighted average number of shares outstanding	21,244,870	9,842,722

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

DIONICS, INC.
STATEMENTS OF SHAREHOLDERS' EQUITY
For the nine month period ended September 30, 2010

	Common Stock		Additional		Treasury Stock		
	Number of Shares	Value	Paid in Capital	Deficit	Number of Shares	Cost	Total
Balance as of December 31, 2008 (audited)	10,093,222	$ 100,900	$ 1,966,800	$ (1,646,000)	164,544	$ (220,600)	$ 201,100
Shares issued to Investor	11,000,000	110,000	330,000				440,000
Net (Loss)				(268,900)			(268,900)
Balance as of December 31, 2009 (audited)	21,093,222	$ 210,900	$ 2,296,800	$ (1,914,900)	164,544	$ (220,600)	$ 372,200
Shares Issued to Consultant	900,000	9,000	99,000				108,000
Net (Loss)				(264,600)			(264,600)
Balance as of September 30, 2010	21,993,222	$ 219,900	$ 2,395,800	$ (2,179,500)	164,544	$ (220,600)	$ 215,600

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

DIONICS, INC.
STATEMENTS OF CASH FLOWS
For the nine month period ended September 30,
(unaudited)

	Increase (Decrease) in Cash and Cash Equivalents 2010	2009
Cash flows from operating activities:		
Net income (Loss)	$ (264,600)	$ (168,800)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	300	300
Forgiveness of debt		(1,000)
Change in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable	(56,700)	46,200
Prepaid expenses	500	(7,600)
Inventory	(20,500)	(9,200)
Increase (Decrease) in:		
Accounts payable	17,700	7,800
Accrued expenses	9,700	(18,800)
Purchase of deferred compensation agreement	0	(75,000)
Net cash (used for) operating ~~activites~~activities	(313,600)	(226,100)
Cash flow provided by (used for) investing activities		
Increase in Common Stock	9,000	0
Additional Paid in Capital	99,000	0
Machinery & Equipment	(8,900)	0
Building improvements	(14,100)	0
Net cash used for investing activities	85,000	0
Net increase (decrease) in cash	(228,600)	(226,100)
Cash at beginning of period	416,500	300,000
Cash at end of period	$ 187,900	$ 73,900
Other Non-Cash ~~Activites~~Activities		
Purchase of deferred compensation agreement paid by the issuance of a convertible promissory note payable to Officer	$ 0	$ 225,000

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BUSINESS

Dionics, Inc. (the "Company") was incorporated under the laws of the State of Delaware on December 19, 1968. The Company, which is based in Westbury, New York, designs, manufactures and markets semiconductor electronic products, as individual discrete components, as multi-component integrated circuits, as multi-component hybrid circuits and as silicon light-chips.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with general accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Holdings of highly liquid investments with original maturities of three months or less 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 $101,100 as of September 30, 2010 and $283,900 as of December 31, 2009.

Concentration of Risk

The Company maintains cash deposits in a bank with offices located in New York, that at times, exceed applicable insurance limits. The Company performs periodic reviews of the relative credit rating of its bank to lower its risk. The Company has not experienced any losses in such accounts, and believes it is not subject to any significant credit risk on cash.

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.

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. 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:

	September 30, 2010	December 31, 2009
Raw materials	$ 13,100	$ 2,800
Work in process	85,300	80,500
Finished Goods	65,600	60,200
	$ 164,000	$ 143,500

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

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.

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 September 30, 2010 and December 31, 2009.

Stockholders' Equity

On October 30, 2009 (the "CML Closing Date"), the Company completed the transactions contemplated by a Stock Purchase Agreement (the "CML Stock Purchase Agreement") entered into on October 8, 2009 among the Company, Central Mega Limited, a British Virgin Islands corporation ("CML"), and the Company's chief executive officer, pursuant to which, among other things, CML purchased on the Closing Date an aggregate of 13,000,000 shares of common stock of the Company at a purchase price of $0.04 per share, consisting of 11,000,000 authorized but previously unissued shares of common stock of the Company for an aggregate purchase price of $440,000 which was paid to the Company on the Closing Date, and 2,000,000 previously issued shares of common stock owned by the chief executive officer for an aggregate purchase price of $80,000 which was paid to the executive officer on the Closing Date (the "CML Stock Purchase").

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short-term nature of these instruments. Fair value estimates are made at a specific point in time, based on relevant market information about the financial instruments when available. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Major Customers

For the nine months ended September 30, 2010, approximately 45% of total sales were to the Company's 3 largest customers.

Basic Earnings per Common 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.

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

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 September 30, 2010 and December 31, 2009. See NOTE 5.

Recently Issued Accounting Pronouncements

In January 2010, the FASB issued ASU No. 2010-06, - Improving Disclosures about Fair Value Measurements (ASU 2010-06) (codified within ASC 820 - Fair Value Measurements and Disclosures). ASU 2010-06 improves disclosures originally required under SFAS No. 157. ASU 2010-16 is effective for interim and annual periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those years. The Company is in compliance with the additional disclosure required by this guidance.

In December 2009, the FASB issued ASU 2009-16, - Transfers and Servicing (Topic 860) – Accounting for Transfers of Financial Assets. ASU 2009-16 amends the accounting for transfers of financials assets and will require more information about transfers of financial assets, including securitizations, and where entities have continuing exposure to the risks related to transferred financial assets. ASU 2009-16 is effective at the start of a reporting entity’s first fiscal year beginning after November 15, 2009, with early adoption not permitted. The Company is in compliance with the additional disclosure required by this guidance.

In October 2009, the FASB issued ASU 2009-15, - Accounting for Own-Share Lending Arrangements in Contemplation of Convertible Debt Issuance or Other Financing. ASU 2009-15 amends the accounting and reporting guidance for debt (and certain preferred stock) with specific conversion features or other options. ASU 2009-15 is effective for fiscal years beginning on or after December 15, 2009. The Company is currently assessing the impact of ASU 2009-13 on its consolidated financial position, results of operations and cash flows.

In October 2009, the FASB issued ASU No. 2009-13, - Multiple Deliverable Revenue Arrangements - a consensus of the FASB Emerging Issues Task Force (ASU 2009-13) (codified within ASC Topic 605). ASU 2009-13 addresses the accounting for multiple-deliverable arrangements to enable vendors to account for products or services (deliverables) separately rather than as a combined unit. ASU 2009-13 is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. The Company is currently assessing the impact of ASU 2009-13 on its consolidated financial position, results of operations and cash flows.

In August 2009, the FASB issued Accounting Standards Update (ASU) No. 2009-05, - Measuring Liabilities at Fair Value (ASU 2009-05) (codified within ASC 820 - Fair Value Measurements and Disclosures). ASU 2009-05 amends the fair value and measurement topic to provide guidance on the fair value measurement of liabilities. ASU 2009-05 is effective for interim and annual periods beginning after August 26, 2009. The Company adopted this guidance effective October 1, 2009.

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

Recently Issued Accounting Pronouncements (continued)

In June 2009, the FASB issued SFAS No. 168, - The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162 (SFAS 168) (codified within ASC 105 - Generally Accepted Accounting Principles). SFAS 168 stipulates that the FASB Accounting Standards Codification is the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. SFAS 168 is effective for interim and annual periods ending after September 15, 2009. In conjunction with the issuance of SFAS 168, the SEC issued interpretive guidance Final Rule 80 (FR-80) regarding FASB's Accounting Standards Codification. Under FR-80, the SEC clarified that the ASC is not the authoritative source for SEC guidance and that the ASC does not supersede any SEC rules or regulations. Further, any references within the SEC rules and staff guidance to specific standards under U.S. GAAP should be understood to mean the corresponding reference in the ASC. FR-80 is also effective for interim and annual periods ending after September 15, 2009. The adoption had no impact on the Company's financial position, cash flows or results of operations.

In June 2009, the FASB issued SFAS No. 166, - Accounting for Transfers of Financial Assets (SFAS 166) (codified within ASC 860 - Transfers and Servicing). SFAS 166 amends the derecognition guidance in SFAS No. 140, - Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities (SFAS No. 140). SFAS 166 is effective for fiscal years beginning after November 15, 2009. The Company is in compliance with the additional disclosure required by this guidance.

In May 2009, the FASB issued SFAS No. 165, - Subsequent Events (SFAS 165) (codified within ASC 855 - Subsequent Events). SFAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. Specifically, SFAS 165 sets forth the period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and the disclosures that an entity should make about events or transactions that occurred after the balance sheet date. SFAS 165 is effective prospectively for interim and annual periods ending after June 15, 2009. The Company adopted this guidance on June 30, 2009.

In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1, - Interim Disclosures about Fair Value of Financial Instruments (FSP FAS 107-1 and APB 28-1) (codified within ASC 825 - Financial Instruments). FSP FAS 107-1 and APB 28-1 require fair value disclosures in both interim as well as annual financial statements in order to provide more timely information about the effects of current market conditions on financial instruments. FSP FAS 107-1 and APB 28-1 are effective for interim and annual periods ending after June 15, 2009. The Company adopted this guidance on June 30, 2009.

In April 2009, the FASB issued FSP FAS 157-4 - Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That are Not Orderly (codified within ASC 820). FSP FAS 157-4 provides additional guidance for estimating fair value when the volume and level of activity for the asset or liability have significantly decreased. It also includes guidance on identifying circumstances that indicate a transaction is not orderly. FSP FAS 157-4 becomes effective for interim and annual reporting periods after June 15, 2009 and shall be applied prospectively. The adoption of this guidance did not have a significant effect on the Company's financial statements.

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

Recently Issued Accounting Pronouncements (continued)

In April 2009, the FASB issued FSP FAS 115-2 and FAS 124-2, - Recognition and Presentation of Other-Than-Temporary Impairments (FSP FAS 115-2 and FAS 124-2) (codified within ASC 320 . Investments – Debt and Equity Securities). FSP FAS 115-2 and FAS 124-2 change the method for determining whether an other-than-temporary impairment exists for debt securities and the amount of the impairment to be recorded in earnings. FSP FAS 115-2 and FAS 124-2 are effective for interim and annual periods ending after June 15, 2009. The adoption of this guidance did not have a significant effect on the Company's financial statements.

In June 2008, the FASB issued EITF 07-05 Determining Whether an Instrument (or Embedded Feature) is Indexed to a Company's Own Stock, (codified within ASC 815 - Derivatives and Hedging - Contracts in Entity’s Own Equity), the FASB ratified the consensus reached on determining whether an instrument (or embedded feature) is indexed to an entity's own stock. This consensus clarifies the determination of whether an instrument (or an embedded feature) is indexed to an entity's own stock, which would qualify as a scope exception under the standard accounting for derivative instruments and hedging activities. This consensus is effective for financial statements issued for fiscal years beginning after December 15, 2008. It was effective for the Company on January 1, 2009. The adoption of this consensus did not have a significant effect on the Company's financial statements.

In March 2008, the FASB issued SFAS No. 161, - Disclosures About Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133, (SFAS 161) (codified within ASC 815 - Derivatives and Hedging). SFAS 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity‘s financial position, financial performance, and cash flows. SFAS 161 is effective for fiscal years beginning after November 15, 2008. The Company adopted this guidance on January 1, 2009. The Company currently does not have any derivative financial instruments subject to accounting or disclosure under this standard; therefore, the adoption of this standard did not have a significant effect on the Company's statement of financial position, results of operations or cash flows.

In February 2010, the FASB amended its guidance on subsequent events to remove the requirement for SEC filers to disclose the date through which an entity has evaluated subsequent events, for both issued and revised financial statements. This amendment alleviates potential conflicts between the FASB’s guidance and the reporting rules of the SEC. Our adoption of this amended guidance, which was effective upon issuance, had no effect on our financial condition, results of operations, or cash flows. There were no subsequent events that would require adjustment to or disclosure in the financial statements.

NOTE 2 – TRADE ACCOUNTS RECEIVABLE:

Trade accounts receivable were as follows:

	September 30, 2010	December 31, 2009
Trade accounts receivable	$ 84,500	$ 27,800
Less: allowance for doubtful accounts	5,300	5,300
	$ 79,200	$ 22,500

There was no bad debt expense for the period ended September 30, 2010 and December 31, 2009.

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT:

Property, Plant and Equipment consisted of the following:

	September 30 2010	December 31, 2009
Building Improvements	$ 14,100	
Equipment	1,198,300	$ 1,189,500
Furniture and Fixtures	233,300	233,300
	1,445,700	1,422,800
Less: accumulated depreciation	(1,423,000)	(1,422,800)
	$ 22,700	$ 0

Depreciation expense for the period ended September 30, 2010 was $200 and for the year ended December 31, 2009 was $400 respectively.

NOTE 4 – DEFERRED COMPENSATION:

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 purchase price for the deferred compensation agreement was $1,000 less than the deferred compensation previously due. This $1,000 difference is considered forgiveness of debt and is included in the Other Income section on the Income Statement.

See NOTE 6 for information on the amendments to the promissory note entered into on October 30, 2009 and June 7, 2010.

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
2009	268,866	2024
	$ 1,072,516	

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

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
2009	265,691	2024
	$ 1,038,708	

As of September 30, 2010 and December 31, 2009, the components of deferred tax assets were as follows:

	September 30, 2010	December 31, 2009
Accounts receivable allowance	$ 1,800	$ 1,800
Net operating loss-carry-forward	326,400	326,400
Total gross deferred tax assets (at 34% statutory rate)	328,200	328,200
Less: Valuation allowance	(328,200)	(328,000)
Net deferred tax assets	$ 0	$ 0

Under current accounting guidelines, 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~~CONTINGENCIES:

On July 27, 2005, the Company entered into a lease agreement with 65 Rushmore Realty, LLC. 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.

NOTE 6 – COMMITMENTS AND ~~CONTINGENIES~~CONTINGENCIES: (continued)

In connection with the CML Stock Purchase, on October 30, 2009 (see Note 1-Stockholders' Equity), the chief executive officer, CML and the Company entered into a Put Option Agreement (the "Put Agreement") pursuant to which the chief executive officer has been granted a put option (the "Put Option") to be exercised at the sole option of the chief executive officer at the end of the initial two year term of the Employment Agreement described below (or an earlier termination pursuant to the certain other terms of the Employment Agreement), to sell to CML a maximum of 1,000,000 previously issued shares of the common stock of the Company (the "Put Shares") at a price equal to the then current market price multiplied by .80, with a minimum purchase price per share of $0.30 and a maximum purchase price per share of $0.80, provided that in the event CML does not comply with the terms and conditions of the Put Agreement, the Company shall be required to purchase the Put Shares at the same price applicable to the Put Option.

On October 30, 2009, the Company and the chief executive officer entered into a First Amendment to Convertible Promissory Note (the "First Note Amendment") which amended a certain convertible promissory note (the "Original Note") payable to the chief executive officer dated as of May 1, 2009 in the principal amount of $225,000 which is due and payable in three years with 5% annual interest payable quarterly. (See Note 4). Pursuant to the First Note Amendment, the Company and the chief executive officer agreed that the unpaid balance shall cease to accrue interest commencing as of the Closing Date (October 30, 2009) of the CML Stock Purchase Agreement. In addition, the Company and the chief executive officer agreed that the conversion price in which the principal amount may be converted into shares of common stock shall be $0.09 per share until October 30, 2010. Thereafter, as in the Original Note, the conversion price shall be $0.14 per share if converted on or before April 30, 2011, and $0.19 per share if converted between May 1, 2011 and April 30, 2012.

On June 7, 2010, the Company and the chief executive officer entered into a Second Amendment to Convertible Promissory Note which amended the conversion privileges contained in the Original Note, as amended by the First Note Amendment, to provide that the conversion price shall be $.09 per share until April 30, 2011. Thereafter, as in the Original Note and First Note Amendment, the conversion price shall be $.19 per share if converted between May 1, 2011 and April 30, 2012.

On October 30, 2009, the Company entered into an employment agreement (the "Employment Agreement") with the chief executive officer pursuant to which the chief executive officer will continue to serve as Chief Executive Officer and President of the Company. The term of the Employment Agreement shall be two years from the Closing Date, provided that the term may be extended upon the written agreement of the chief executive officer and the Company. The chief executive officer will receive an annual base salary of $93,600 subject to annual review for possible increase, and will receive other benefits.

NOTE 7 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS AFFECTING THE COMPANY:

Accounting Standards Codification

In June 2009, the FASB issued authoritative guidance which replaced the previous hierarchy of U.S. GAAP and establishes the FASB Codification as the single source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. SEC rules and interpretive releases are also sources of authoritative U.S. GAAP for SEC registrants. This guidance modifies the U.S. GAAP hierarchy to include only two levels of U.S. GAAP: authoritative and no authoritative. This guidance was effective for the Company as of December 31, 2009. The adoption of this guidance did not impact the Company's results of operations, cash flows or financial positions since the FASB Codification is not intended to change or alter existing U.S. GAAP.

Subsequent Events

In February 2010, the FASB amended its guidance on subsequent events to remove the requirement for SEC filers to disclose the date through which an entity has evaluated subsequent events, for both issued and revised financial statements. This amendment alleviates potential conflicts between the FASB's guidance and the reporting rules of the SEC. Our adoption of this amended guidance, which was effective upon issuance, had no effect on our financial condition, results of operations, or cash flows. There were no subsequent events that would require adjustment to or disclosure in the financial statements.

NOTE 8 – STOCK PLAN:

On June 10, 2010, the Board of Directors approved and adopted the Dionics, Inc. 2010 Consultant Stock Compensation Plan (the "2010 Plan") and authorized the Company to issue up to 4,000,000 shares of Common Stock under the 2010 Plan. The 2010 Plan is intended to promote the interests of the Company by offering those outside consultants or advisors of the Company who assist in the development and success of the business of the Company the opportunity to participate in a compensation plan designed to reward them for their services and to encourage them to continue to provide services to the Company. The Company has filed a Registration Statement on Form S-8 with the Securities and Exchange Commission in order to register the shares of Common Stock of the Company issuable pursuant to the 2010 Plan.

On August 16, 2010, the Company issued 900,000 shares to an individual which shares were issued under the 2010 Plan and pursuant to a consulting agreement entered into in July 2010.

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

The Company's primary source of funds is cash flow from operations in the normal course of business, although in the fourth quarter of 2009, the Company obtained an investment of $440,000 from Central Mega Limited ("CML") in exchange for 11,000,000 shares of common stock of the Company. On September 30, 2010, the Company had Working Capital of $396,800 and a debt-to-equity ratio of 1.29 to 1 and Stockholder's Equity of $215,600. This compares to Working Capital of $576,100, a debt-to-equity ratio of .67 to 1 and Stockholder's Equity of $372,200 on December 31, 2009. Total Assets were $493,500 and Total Liabilities were $277,900 on September 30, 2010 as compared to Total Assets of $622,700 and Total Liabilities of $250,500 at December 31, 2009.

Net cash used for operating activities for the nine months ended September 30, 2010 was $313,600 which was primarily a result of a net loss of $264,600 plus increases in accounts receivable of $56,700 and inventory of $20,500, offset by increases in accounts payable of $17,700 and accrued expenses of $9,700. Net Cash used for operating activities for the nine months ended September 30, 2009 was $226,100 which was primarily a result of a net loss of $168,800 plus increases in prepaid expenses of $7,600 and inventory of $9,200, as well as a decrease in accrued expenses of $18,800 and deferred compensation of $75,000 (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), offset by a decrease in accounts receivable of $46,200 and an increase in accounts payable of $7,800.

Net cash provided by investing activities for the nine months ended September 30, 2010 was $85,000 which was primarily the result of an increase in Common Stock of $9,000 and additional paid in capital of $99,000 due to non-cash compensation paid to a consultant during the third quarter of 2010, offset by purchases of machinery and equipment of $8,900 and building improvements of $14,100, compared to no net cash provided by or used for investing activities for the nine months ended September 30, 2009.

For the nine months ended September 30, 2010 and 2009, there was no cash flow provided by or used for financing activities.

Results of Operations

Sales volume in the first nine months of 2010 rose 24.0 percent, reaching $567,200 as compared to $457,300 in the first nine months of 2009. Cost of Sales rose to $472,600 as compared to $395,500 in the same period last year, an increase of only 19.5 percent. Gross Profit rose to $94,600 as compared to $61,800 in the same period of 2009. The improvement in Gross Profit margin reflects the largely fixed costs in our manufacturing operations.

Selling, General and Administrative expenses rose to $360,900 as compared to $228,000 in the same period last year, an increase of $132,900 or 58 percent year-over-year. This increase is primarily due to non-cash consulting expenses of $108,000 in the current nine month period for which there was not a comparable expense in the prior year period as well as an increase in professional fees in the current nine month period. Such professional fees trace to accounting and legal activities associated with the transaction entered into with our new investor and the issuing of investment stock to them while the non-cash compensation resulted from the issuing of stock to a new China-based consultant.

Net Income (Loss) for the first nine months of 2010 showed a Loss of $264,600 as compared to a Loss of $168,800 in the same period last year. The increase was mostly caused by the large increase in the SG&A category described above.

Sales volume in the Third Quarter of 2010 rose to $143,800 as compared to $86,700 in the Third Quarter of 2009, an increase of 66 per cent. Cost of Sales in the current period reached $153,800 as compared to $111,000 in the same period last year, an increase of only 38.6 percent, again demonstrating the largely fixed costs in our manufacturing operations. Gross Profit (Loss) showed a reduced Loss of $10,000 as compared to a Loss of $24,300 in the same period last year.

Selling, General and Administrative expenses rose to $210,000 in the current period as compared to $101,400 in the Third Quarter of 2009. The large increase is predominantly due to the non-cash stock compensation payment made to our new Chinese consultant.

Net Income (Loss) showed a Loss in the current period of $209,700 as compared to a Loss of $104,200 in the same period last year, mostly due to the large non-cash SG&A expenses described above.

Management admittedly has mixed feelings about the results of the first nine months of 2010. Comparative financials look good, but they still have not improved to the point of showing a profit, nor does the immediate future look much better. We continue to use this economy-induced slow period to pursue significant cost-reductions in our PV MOSFET-Drivers and to create a sales base for expansion into the large potential Chinese market for these products. We are disappointed that our turnaround is a slow one, but we are confident in the eventual successful outcome of our programs. Other growth opportunities stemming from our new Chinese consultants include possible growth through the Merger and Acquisition route. Slow or not, we are confident we will succeed.

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.

Significant Accounting Policies

Our discussion and analysis of the Company's financial condition and results of operations are based upon our financial statements which have been prepared in conformity with U.S. generally accepted accounting principles. Our significant accounting policies are described in Note 1 to the financial statements included elsewhere herein. The application of our critical accounting policies is particularly important to the portrayal of our financial position and results of operations. These critical accounting policies require us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. We believe the following critical accounting policies reflect the more significant judgments and estimates used in the preparation of the financial statements.

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 accounts is set up and the related expense is charged to operations.

Inventories - 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. Finished goods and work-in-process inventories include material and labor.

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 method 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, repairs and small renewals are expenses, as incurred. The estimated useful lives are: machinery and equipment, 7-15 years; buildings, 30 years; and leasehold improvements, 10-20 years.

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.

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 statement 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.

Recently Issued Accounting Pronouncements Affecting the Company

Accounting Standards Codification - In June 2009, the FASB issued authoritative guidance which replaced the previous hierarchy of U.S. GAAP and establishes the FASB Codification as the single source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. SEC rules and interpretive releases are also sources of authoritative U.S. GAAP for SEC registrants. This guidance modifies the U.S. GAAP hierarchy to include only two levels of U.S. GAAP: authoritative and nonauthoritative. This guidance was effective for the Company as of December 31, 2009. The adoption of this guidance did not impact the Company's results of operations, cash flows or financial positions since the FASB Codification is not intended to change or alter existing U.S. GAAP.

Subsequent Events - In February 2010, the FASB amended its guidance on subsequent events to remove the requirement for SEC filers to disclose the date through which an entity has evaluated subsequent events, for both issued and revised financial statements. This amendment alleviates potential conflicts between the FASB's guidance and the reporting rules of the SEC. Our adoption of this amended guidance, which was effective upon issuance, had no effect on our financial condition, results of operations, or cash flows. There were no subsequent events that would require adjustment to or disclosure in the financial statements.

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 September 30, 2010, 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. [Removed and Reserved.]

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: November 12, 2010	By: /s/ Bernard L. Kravitz Bernard L. Kravitz, President
Dated: November 12, 2010	By: /s/ Bernard L. Kravitz Bernard L. Kravitz, Principal Financial Officer

Exhibit 31.1

CERTIFICATION

I, Bernard L. 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 Act 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) 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: November 12, 2010

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

Exhibit 31.2

CERTIFICATION

I, Bernard L. 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 Act 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) 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: November 12, 2010

By: /s/ Bernard L. Kravitz
Bernard L. 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 September 30, 2010, 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: November 12, 2010

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

Dated: November 12, 2010

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