

DND TECHNOLOGIES, INC.

Financial Statements

For the Years ending December 31, 2010 & 2011

And the Quarter ending March 31, 2012

Balance Sheets 2010 & 2011

And first Quarter 2012

Statements of Operations 2010 & 2011

And first Quarter 2012

Statement of Shareholders' Equity

For the Period Beginning January 1, 2009 thru March 31, 2012

Statements of Cash Flow 2010 & 2011

And First Quarter 2012

Footnotes for the Above Statements

DND TECHNOLOGIES, INC.
BALANCE SHEETS
(unaudited)
Prepared by Management
For the Years Ending December 31 2010 & 2011
And the Quarter Ending March 31, 2012

	December 31, 2010	December 31, 2011	March 31, 2012
ASSETS			
Current Assets			
Cash	\$15,400	\$32,300	\$50,686
Accounts receivable	11,980	23,360	16,810
Inventory	317,900	325,100	326,537
Prepaid Insurance	400	2,500	2,500
Total Current Assets	<u>346,680</u>	<u>383,260</u>	<u>396,533</u>
Property & Equipment			
Equipment	84,200	88,200	88,200
less: Depreciation	<u>(39,823)</u>	<u>(49,755)</u>	<u>(49,755)</u>
Total Property and Equipment	<u>44,377</u>	<u>38,445</u>	<u>38,445</u>
Total Assets	<u>391,057</u>	<u>421,705</u>	<u>434,978</u>
LIABILITIES			
Accounts Payable	4,000	12,425	6,100
Notes Payable	<u>355,000</u>	<u>360,000</u>	<u>360,000</u>
Total Liabilities	359,000	372,425	366,100
STOCKHOLDERS' EQUITY			
Common Stock			
2,000,000,000 shares authorized at \$.001 par value, 186,734,653 issued and outstanding on Dec. 31, 2010 and 322,724,653 ON Dec. 31, 2011			
	186,735	322,725	322,725
Additional Paid In Capital	2,403,795	2,403,795	2,403,795
Retained Deficit	<u>(2,558,473)</u>	<u>(2,677,240)</u>	<u>(2,657,642)</u>
Total Stockholders Equity	<u>32,057</u>	<u>49,280</u>	<u>68,878</u>
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	<u>\$391,057</u>	<u>421,705</u>	<u>434,978</u>

The accompanying notes are an integral part of these financial statements

DND TECHNOLOGIES, INC.
STATEMENT OF OPERATIONS

(unaudited)

Prepared by Management

For the Years Ending December 31 2010 & 2011

And the Quarter Ending March 31, 2012

	<u>December 31, 2010</u>	<u>December 31, 2011</u>	<u>March 31, 2012</u>
Revenues:			
Sales	89,320	96,100	26,908
Less Returns/Allowances	250	1,200	
Gross Sales	89,070	94,900	26,908
Cost of Goods			
Opening Inventory	318,000	317,900	325,100
Purchases	17,000	23,000	6,000
Freight	1,650	2,000	550
Total Cost of Goods	<u>336,650</u>	<u>342,900</u>	<u>331,650</u>
Ending Inventory	317,900	325,100	326,537
Cost of Goods	18,750	17,800	5,113
Net Sales	<u>70,320</u>	<u>77,100</u>	<u>21,795</u>
Other Income--Interest	<u>123</u>	<u>140</u>	<u>--</u>
Total Revenue	<u>70,443</u>	<u>77,240</u>	<u>21,795</u>
Operating Expenses:			
Salaries	4,100	7,250	1,812
Utilities	960	1,300	275
Office Supplies	720	1,250	--
Insurance	300	300	--
Advertising	88	150	--
Telephone	700	700	110
Travel and entertainment	350	350	--
dues and Subscriptions	100	100	--
Repairs and Maintenance	220	1,250	--
Taxes and Licenses	6,098	8,300	--
Total Operating Expenses	<u>13,646</u>	<u>20,950</u>	<u>2,197</u>
Net Income	<u>56,797</u>	<u>56,290</u>	<u>19,598</u>
Income per share-	--	--	--

The accompanying notes are an integral part of these financial statements

DND TECHNOLOGY, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)
Prepared by Management
For the Years Ending December 31
2010 & 2011 & the Quarter Ending March 31, 2012

	Common Stock		Capital In Excess	Accumulated
	Shares	Amount	of par value	increase (decrease)
Balance				
@12/31/09	26,234,653	26,235	2,386,795	(2,413,030)
Issuance of stock for services and Account Payable	150,500,000	150,500	17,000	--
Issuance of stock for collateral	10,000,000	10,000	--	--
Balance				
@12/31/10	186,734,653	186,735	2,403,795	(2,590,530)
Issuance of stock for services	24,000,000	24,000	--	--
Issuance of stock Note conversion	98,440,000	98,440	--	--
Issuance of stock for services	30,000,000	30,000	--	--
Balance				
@12/31/11	322,724,653	322,725	2,403,795	(2,677,240)
Net Gain	--	--	--	19,568
Balance				
@3/31/12	--	--	--	2,657,642

The accompanying notes are an integral part of these financial statements

DND TECHNOLOGIES, INC.
STATEMENTS OF CASH FLOW

(unaudited)

Prepared by Management

For the Years Ending December 31, 2010 & 2011

And the Quarter Ending March 31, 2012

	<u>12/31/2010</u>	<u>12/31/2011</u>	<u>3/31/2012</u>
CASH FLOWS FROM OPERATIONS ACTIVITIES			
Net Gain (Loss)	\$56,797	\$56,260	\$19,598
Increase (Decrease) in Inventory	100	(7,200)	(6,550)
Common Stock Issued for Services	<u>150,500</u>	<u>24,600</u>	<u>--</u>
NET CASH FLOWS USED IN OPERATION ACTIVITIES	<u>75,424</u>	<u>75,150</u>	<u>24,711</u>
Proceeds for Issuance of Common Stock	<u>17,000</u>	<u>--</u>	<u>--</u>
NET INCREASE IN CASH	<u>7,600</u>	<u>16,900</u>	<u>18,386</u>
CASH, BEGINNING OF PERIOD	<u>7,800</u>	<u>15,400</u>	<u>32,300</u>
CASH, END OF PERIOD	<u>15,400</u>	<u>32,300</u>	<u>50,686</u>

SUPPLEMENTAL DISCLOSURES: NONE

The accompanying notes are an integral part of these financial statements

DND TECHNOLOGIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
Prepared by Management
For the years ending December 21, 2010 & 2011
And the Quarter Ending March 31, 2012

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

DND Technologies, Inc., through its wholly-owned subsidiary Best Balms, Inc and sells the most comprehensive product line of specialty balms found in the world today. The main differences between our specialty balms and our competitor's products are that all of Best Balms products are 100% natural. The Company's 2 year emphases is on sales growth principally utilizing internet marketing. To this end the Company is exploring various internal and external means to broaden customer exposure via the internet.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - For purposes of reporting cash flows, DND Technologies considers all investments purchased with a maturity of three months or less to be cash equivalents. DND Technologies maintains its cash in bank deposit accounts which, at times, have never exceeded federally insured limits.

Restricted Cash – The Company maintains no restricted cash.

Accounts Receivable - The Company's receivables are minimal and are from the Company's wholesale customers and are collected within a few months of shipment. No allowance for doubtful accounts is considered necessary.

Inventory – Inventory is stated at lower of cost or market, determined by the first-in, first-out method.

Property and Equipment - Property and equipment are carried at cost. Fully depreciated property and equipment still in use are not eliminated from the accounts.

The Company assesses the carrying value of its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparing estimated undiscounted cash flows expected to be generated from such assets to their net book value. If net book value exceeds estimated cash flows, the asset is written down to its fair value, determined by the estimated discounted cash flows from such asset. When an asset is retired or sold, its cost and related accumulated depreciation and amortization are removed from the accounts. The difference between the net book value of the asset and proceeds on disposition is recorded as a gain or loss.

Bank Overdraft – Under the Company’s cash management system, no bank overdraft balance has existed.

Asset Retirement Obligations – Financial Accounting Standards Board (FASB) ASC 410-20 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The Company’s has no asset retirement obligation (“ARO”)>

Income Taxes - DND Technologies accounts for uncertain tax positions in accordance with the authoritative guidance issued by the FASB on income taxes which addresses how we should recognize, measure and present in our financial statements uncertain tax positions that have been taken or are expected to be taken in a tax return. Pursuant to this guidance, the Company can recognize a tax benefit only if it is “more likely than not” that a particular tax position will be sustained upon examination or audit. To the extent the “more likely than not” standard has been satisfied, the benefit associated with a tax position is measured as the largest amount that is greater than 50% likely of being realized upon settlement. No liability for unrecognized tax benefits was recorded as of December 31, 2011 and 2010.

Share-Based Payments - The Company accounts for share-based payments in accordance with the authoritative guidance issued by the FASB on stock compensation, which establishes the accounting for transactions in which an entity exchanges its equity instruments for goods or services. Under the provisions of the authoritative guidance, share-based compensation expense is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite employee service period (generally the vesting period). The Company estimates the fair value of share-based payments using the Black-Scholes option-pricing model. Additionally, share-based awards to non-employees are expensed over the period in which the related services are rendered at their fair value.

Basic and Diluted Loss per Share – Basic loss per share is calculated on the basis of weighted-average number of shares of common stock outstanding during the year. Diluted loss per share is computed using the weighted-average number of shares of common stock outstanding during the year, adjusted for the dilutive effect of common stock equivalents consisting of shares that would be issued upon exercise of common stock options and warrants.

Fair Value of Financial Instruments - The carrying value of short-term financial instruments, including cash and cash equivalents, accounts receivable, inventories, accounts payable and accrued expenses and short-term borrowings approximate fair value due to the relatively short period to maturity for these instruments. The long-term borrowings approximate fair value since the related rates of interest approximates current market rates.

Principles of Consolidation - The consolidated financial statements consist solely of the financial information of DND Technologies Resources wholly owned subsidiary Best Balms, Inc.

Newly Issued Accounting Pronouncements –In September 2011, the FASB issued ASU 2011-08, “Testing Goodwill for Impairment” (“ASU 2011-08”), which amends the guidance in ASC 350-20, “Intangibles — Goodwill and Other — Goodwill”. Under ASU 2011-08, entities have the option of performing a qualitative assessment before calculating the fair value of the reporting unit when testing goodwill for impairment. If the fair value of the reporting unit is determined, based on qualitative factors, to be more

likely than not less than the carrying amount of the reporting unit, then entities are required to perform the two-step goodwill impairment test. ASU 2011-08 is effective for fiscal years beginning after December 15, 2011, with early adoption permitted. Since the Company has no goodwill at December 31, 2011, the Company feels the adoption of this pronouncement will have no material impact on its financial position, cash flows or results of operations.

NOTE 3 - GOING CONCERN

As shown in the accompanying financial statements, DND Technologies posted gains of \$56,797 and \$56,290 for the years ending 12/30/2010 & 2011 respectively and \$19,598 for the quarter ending 3/31/2012 and had a working capital of \$50,686 as of March 31, 2012.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of office, packaging and shipping equipment and have remained unchanged for the past years.

NOTE 5 – SHORT-TERM AND LONG-TERM DEBT

On July 22, 2005, the Company entered into a promissory note with Cornell Capital for \$300,000. The loan originally called for interest to accrue at 12% with payments in the amount of \$20,000 to be made weekly beginning October 21, 2005 with the final payment of \$34,121 due on January 27, 2006. During subsequent negotiations the note was reassigned and Interest was paid though 2/20/1011 with the Principal due date extended to 6/30/14 with 10% simple interest payable in arrears. Management will attempt to negotiate a conversion of the note and interest to equity but there can be no assurance that we will be successful in doing so.

In September of 2010 the Company entered into several promissory notes with Aslilin Capital for a total amount of \$50,000 and calls for simple interest to accrue at 10% annually payable in arrears. The note is due 10/1/2014. Management will attempt to negotiate a conversion of the note and interest to equity but there can be no assurance that we will be successful in doing so.

The Company has no short term debt.

NOTE 6 – RELATED PARTY TRANSACTIONS

The Company has no “Related Party Transactions”

Other Related Party Transactions:

America West operates office space from an entity owned by certain stockholders of the Company.

NOTE 7 – STOCKHOLDERS' EQUITY

Common Stock

During the year ended 12/31/2010, the Company issued 160,000,000 common shares for services and settlement of debt valued at \$177,000.

During the year ended 12/31/2011, the Company issued 152,440,000 common shares for services and settlement of debt valued at \$152,440.

No shares were issued during the quarter ending

NOTE 8 – DERIVATIVES

The Company has no derivatives or derivative liability.

NOTE 9 – COMMITMENTS & CONTINGENCIES

The Company has no commitments or contingencies not made in the ordinary course of Business.

NOTE 10 – MAJOR CUSTOMERS

The Company distribution is widely based and is not dependent on major customers.

NOTE 11 – ASSET RETIREMENT OBLIGATION

The Company has no asset retirement obligations.

NOTE 12 – INCOME TAX EXPENSE

The Company has no federal or state net operating loss carry-forwards available.

NOTE 14 - SUBSEQUENT EVENTS

The company has no material subsequent events.

EXIBITS

Articles of Incorporation of DND Technologies, Inc.
By-laws of DND Technologies, Inc.
Initial Company Information and Disclosure Statement.

All the above exhibits are filed and posted on the OTC Markets Website (www.otcmarkets.com) under the symbol DNDT, under the "Financials" section and incorporated herein by reference.

SIGNATURES

The financial statements, and other financial information included or incorporated by reference in this statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as, and for, the periods presented in this statement.

Dated this 15th day of May 201

DND Technologies, INC.

Date: May 15, 2012

By: /s/ Christopher C. Corwin
Christopher C. Corwin, President

Date: May 15, 2012

By: /s/ Yu Zhou
Yu Zhou Secretary/Treasurer