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

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (date of earliest event reported): January 31, 2017

H/CELL ENERGY CORPORATION
(Exact name of registrant as specified in its charter)

Nevada	333-212315	47-4823945
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

97 River Road, Flemington, NJ 08822
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (908) 837-9097

Copy of correspondence to:

James M. Turner, Esq.
Marc J. Ross, Esq.
Sichenzia Ross Ference Kesner LLP
61 Broadway
New York, New York 10006
Tel: (212) 930-9700 Fax: (212) 930-9725

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EXPLANATORY NOTE

On February 6, 2017, H/Cell Energy Corporation, a Nevada corporation ("H/Cell Energy" or the "Company"), filed a Current Report on Form 8-K to report the completion of its acquisition of The Pride Group (QLD) Pty Ltd. , an Australian corporation ("Pride"), which was completed on January 31, 2017. This Current Report on Form 8-K/A is filed as an amendment to the Current Report on Form 8-K filed by H/Cell Energy on February 6, 2017 solely to include the financial information described in Item 9.01 below that was previously omitted in accordance with Item 9.01(a) and Item 9.01(b) of Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The audited consolidated financial statements of The Pride Group (QLD) Pty Ltd. as of June 30, 2016 and 2015 and for each of the two years in the period ended December 31, 2016 are filed as Exhibit 99.02 hereto and incorporated herein by reference.

The unaudited condensed consolidated financial statements of The Pride Group (QLD) Pty Ltd. for the six months ended December 31, 2016 are filed as Exhibit 99.03 hereto and incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined financial information with respect to the transaction described in Item 2.01 is filed as Exhibit 99.04 hereto and incorporated herein by reference.

(d) Exhibits.

10.01 Form of Share Exchange Agreement, by and among H/Cell Energy Corporation, The Pride Group (QLD) Pty Ltd., Turquino Equity LLC and Stephen Paul Mullane and Marie Louise Mullane as Trustees of the Mullane Family Trust, dated January 31, 2017, filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 6, 2017 and incorporated herein by reference.

10.02 Form of Escrow Agreement, by and among H/Cell Energy Corporation, Turquino Equity LLC, Stephen Paul Mullane and Marie Louise Mullane as Trustees of the Mullane Family Trust, and Sichenzia Ross Ference Kesner LLP, dated January 31, 2017, filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 6, 2017 and incorporated herein by reference.

99.01 Press Release, dated February 6, 2017, issued by H/Cell Energy Corporation, filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 6, 2017 and incorporated herein by reference.

99.02 Audited consolidated financial statements of The Pride Group (QLD) Pty Ltd. as of December 31, 2016 and 2015 and for each of the two fiscal years in the period ended December 31, 2016.

99.03 Unaudited condensed consolidated financial statements of The Pride Group (QLD) Pty Ltd. for the six months ended December 31, 2016.

99.04 Unaudited pro forma condensed combined consolidated financial information of H/Cell Energy Corporation.

SIGNATURE

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

H/CELL ENERGY CORPORATION

Date: April 18, 2017

By: */s/ MATTHEW HIDALGO*
Matthew Hidalgo
Chief Financial Officer

Exhibit 99.02

THE PRIDE GROUP PTY LTD.

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

THE PRIDE GROUP PTY LTD.
TABLE OF CONTENTS

Independent Auditors' Report

To the Shareholders of
The Pride Group Pty Ltd.

We have audited the accompanying financial statements of The Pride Group Pty Ltd, which comprise the balance sheets as of June 30, 2016 and 2015, and the related statements of income, shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Pride Group Pty Ltd. as of June 30, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ Rosenberg Rich Baker Berman & Company

Somerset, New Jersey
April 17, 2017

THE PRIDE GROUP PTY LTD.
BALANCE SHEETS

	June 30, 2016		June 30, 2015	
ASSETS				
Current assets:				
Cash and cash equivalents	$	250,196	$	277,522
Accounts and retainage receivable, net		780,876		1,140,928
Costs and earnings in excess of billings		108,099		20,087
Prepaid expenses and other current assets		8,483		8,864
Total current assets		1,147,654		1,447,401
Property and equipment, net of accumulated depreciation		51,512		17,971
Security deposits and other non-current assets		6,303		13,144
	$	1,205,469	$	1,478,516
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued expenses	$	670,261	$	792,338
Accounts payable to related party		39,083		40,554
Sales tax payable		158,852		81,187
Billings in excess of costs and earnings		88,082		141,217
Total current liabilities		956,278		1,055,296
Shareholders' equity:				
Common stock, no par value, 1,000,000 shares authorized, 97,939 shares issued and outstanding		504,484		504,484
Retained earnings (deficit)		(206,119)		(49,778)
Accumulated other comprehensive loss		(49,174)		(31,486)
Total shareholders' equity		249,191		423,220
Total liabilities and shareholders' equity	$	1,205,469	$	1,478,516

See accompanying notes to financial statements.

THE PRIDE GROUP PTY LTD.
STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME
AND SHAREHOLDERS' EQUITY

	Year Ended June 30, 2016	Year Ended June 30, 2015
Construction income	$ 6,152,627	$ 5,655,285
Direct costs	4,252,730	3,788,099
Gross profit	1,899,897	1,867,186
General and administrative expenses	2,069,835	1,942,665
Loss before other income and expense	(169,938)	(75,479)
Other income (expense):		
Gain on disposition of equipment	12,421	8,535
Interest expense	(2,027)	(2,146)
Other income	3,204	90,279
Total other income	13,598	96,668
Net income (loss)	(156,340)	21,189
Other comprehensive loss:		
Foreign currency translation difference	(17,689)	(31,486)
Total comprehensive loss	(174,029)	(10,297)
Shareholders' equity, beginning of year	423,220	851,425
Distributions	-	417,908
Shareholders' equity, end of year	$ 249,191	$ 423,220

See accompanying notes to financial statements.

THE PRIDE GROUP PTY LTD.
STATEMENTS OF CASH FLOWS

	June 30, 2016	June 30, 2015
Cash flows from operating activities:		
Net (loss) income	$ (156,340)	$ 21,189
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation	12,958	58,043
Gain on disposition of property and equipment	(12,421)	(8,535)
(Increase) decrease in:		
Accounts and retainage receivable	322,108	(453,119)
Costs and earnings in excess of billings	(88,680)	21,307
Prepaid expenses and other current assets	85	29,504
Security deposits and other non-current assets	6,404	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(94,376)	339,935
Accounts payable to related party	(1,471)	40,554
Billings in excess of costs and earnings	(48,438)	138,039
Sales tax payable	80,365	53,398
Net cash provided by operating activities	20,195	240,315
Cash flows from investing activities:		
Purchase of property and equipment	(47,214)	(23,315)
Proceeds from disposition of property and equipment	13,309	63,857
Net cash provided by (used in) investing activities	(33,905)	40,542
Cash flows from financing activities:		
Distributions	-	(417,908)
Net cash used in financing activities	-	(417,908)
Net decrease in cash and cash equivalents	(13,710)	(137,051)
Effect of foreign currency translation on cash	(13,616)	(66,443)
Cash and cash equivalents, beginning of year	277,522	481,016
Cash and cash equivalents, end of year	$ 250,196	$ 277,522
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 2,027	$ 2,146
Cash paid for taxes	$ -	$ -

See accompanying notes to financial statements.

NOTE 1 - NATURE OF OPERATIONS

Formed under the laws of the Australian State of Queensland in 1997, The Pride Group Pty Ltd (the "Company") is a leading provider of a variety of technology based products and services in the commercial security systems space and in the renewable energy space, including, but not limited to, alarm systems, access control, video surveillance, closed circuit television, audio and visual systems and public announcement systems. During the years ended June 30, 2016 and 2015, the Company's operations were primarily in the Australian state of Queensland.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Accounts and retainage receivable:

Accounts receivable are recorded when invoices are issued and are presented in the balance sheet net of the allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on the Company's historical losses, the existing economic conditions in the construction industry, and the financial stability of its customers. Accounts are written off as uncollectible after collection efforts have failed. In addition, the Company does not generally charge interest on past-due accounts or require collateral. At June 30, 2016 and 2015, there was no allowance for doubtful accounts required.

Property and Equipment, and Depreciation :

Property and equipment are stated at cost. Depreciation is generally provided using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized on a straight-line basis over the shorter of the remaining term of the lease or the estimated useful life of the improvement.

Repairs and maintenance that do not improve or extend the lives of the property and equipment are charged to expense as incurred.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of two components, net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) refers to revenue, expenses, gains and losses that are recorded as an element of stockholder's equity but are excluded from net income (loss). The Company's other comprehensive income (loss) is comprised of foreign currency translation adjustments.

Foreign Currency Translation

Assets, liabilities, revenue and expenses denominated in non-U.S. currencies are translated at the rate of exchange prevailing on the date of the balance sheet. Gains (losses) on translation of the financial statements are from the Company's operations where the functional currency is not the U.S. dollar. Translation gains (losses) are reflected as a component of accumulated other comprehensive income (loss). Gains (losses) on foreign currency transactions are included in the statements of Operations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Cost Recognition:

The Company recognizes revenue from construction contracts over the contractual period under the percentage-of-completion (POC) method of accounting. This method of accounting recognizes sales and gross profit as work is performed based on the relationship between actual costs incurred and total estimated costs at completion. Recognized revenues that will not be billed under the terms of the contract until a later date are recorded in “Costs and earnings in excess of billings”. Likewise, contracts where billings to date have exceeded recognized revenues are recorded in “Billings in excess of costs and earnings”. Construction costs of projects under contract include all direct material and labor costs and other direct costs related to contract performance. Changes to the original estimates may be required during the life of the contract and such estimates are reviewed periodically. Changes in job performance, job conditions, estimated profitability and final contract settlements might result in revisions to costs and income that are recognized in the period in which the changes are disregarded. Estimated losses are recorded when identified.

The use of the POC method of accounting involves considerable use of estimates in determining revenues, costs and profits and in assigning the amounts to accounting periods. The Company continually evaluates all of the assumptions, risks and uncertainties inherent with the application of the POC method of accounting. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near-term.

Revenue from service or short term contracts is recognized currently as the work is performed.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Fair value of financial instruments:

The carrying value of the Company’s financial instruments, consisting principally of cash, receivables and accounts payable approximates fair value due to either the short-term maturity of the instruments or borrowings with similar interest rates or maturities.

Income taxes:

The Company accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management has determined that there were no tax uncertainties that met the recognition threshold at the balance sheet dates, and no interest and penalties related to unrecognized tax benefits have been recognized in the Company’s financial statements.

The Company files tax returns in the Australia federal jurisdiction and has no open tax years for 2012 and prior.

Compensated Absences :

The Company provides for employees to annually accrue up to five weeks of unused vacation beyond the calendar year as required by Australian law. At June 30, 2016 and 2015 the balance of accrued unused vacation time approximated $97,000 and $103,000, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising:

The Company expenses advertising costs as they are incurred. Advertising expense for the years ended June 30, 2016 and 2015 were $3,820 and $6,362, respectively.

Operating Loss and Tax Credit Carryforwards:

At June 30, 2016, the Company has loss carryforwards totaling approximately $92,000 that may be offset against future taxable income. The carryforwards are available indefinitely.

NOTE 3 – SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

Cash maintained at an authorized deposit-taking institution (bank) incorporated in Australia is insured by the Australian Securities & Investments Commission (“ASIC”) up to approximately $186,000 USD in total. At June 30, 2016 and 2015, cash balances, in USD exceeded ASIC insured limits by approximately $70,000 and $87,000, respectively.

Credit risk for trade accounts is concentrated as well because substantially all of the balances are receivable from entities located within certain geographic regions. To reduce credit risk, the Company performs ongoing credit evaluations of its customers’ financial conditions, but does not generally require collateral. In addition, at June 30, 2015, approximately 26% of the Company’s accounts receivable is due from two unrelated customers, 12% and 14%, respectively; and, at June 30, 2015, approximately 25% of the Company’s accounts receivable is due from two unrelated customers, 12% and 13%.

NOTE 4 – MAJOR CUSTOMERS

During the year ended June 30, 2016, there were no customers with a concentration of 10% or higher. During the year ended June 30, 2015, approximately 17% of the Company’s revenue was earned from one customer.

NOTE 5 – PROPERTY AND EQUIPMENT

At June 30, property and equipment are comprised of the following:

	2016	2015
Furniture and fixtures (5 to 7 years)	$ 6,533	$ 6,757
Machinery and equipment (5 to 7 years)	35,643	36,869
Computer and software (3 to 5 years)	78,957	78,530
Auto and truck (5 to 7 years)	256,088	262,163
Leasehold improvements (life of lease)	38,685	36,508
	415,906	420,827
Less: accumulated depreciation	(364,394)	(402,856)
	$ 51,512	$ 17,971

Depreciation expense for the years ended June 30, 2016 and 2015 amounted to $12,958 and $58,043, respectively.

NOTE 6 - RELATED PARTY TRANSACTIONS

At June 30, 2016 and 2015, the balance due to Turquino Equity LLC, a significant shareholder, amounted to approximately $39,000 and $41,000, respectively. These balances represent expenses for management services. For the years ended June 30, 2016 and 2015, expenses for management services approximated $153,000 and $98,000, respectively.

NOTE 7 - UNCOMPLETED CONTRACTS

Costs, estimated earnings and billings on uncompleted contracts are summarized as follows at June 30:

	2016	2015
Costs incurred on uncompleted contracts	$ 2,382,693	$ 319,353
Estimated earnings	541,066	369,868
Costs and estimated earnings earned on uncompleted contracts	2,923,759	689,221
Billings to date	2,383,492	512,095
Costs and estimated earnings in excess of billings on uncompleted contracts	540,267	177,126
Costs and earnings in excess of billings on completed contracts	520,250	298,256
	$ 20,017	$ (121,130)

Included in the amounts in the accompanying balance sheets under the following captions at June 30:

	2016	2015
Costs and earnings in excess of billings	$ 108,099	$ 20,087
Billings in excess of costs and earnings	(88,082)	(141,217)
	$ 20,017	$ (121,130)

NOTE 8 - LEASES

The Company entered into two operating leases for office space in Woombye and Brisbane, Queensland, Australia, both expiring in April 2018. The future minimum payments on the leases for each of the next two years and in the aggregate amount to the following:

2017	$ 84,284
2018	68,005
	$ 152,289

Rent expense for the years ended June 30, 2016 and 2015 amounted to approximately $90,000 and $96,000, respectively, and is included in "General and Administrative" expenses on the related statements of operations.

Note 9 - CONTRACT BACKLOG

As of June 30, 2016, the Company had a contract backlog approximating $1,484,000 with anticipated direct costs to complete approximating $1,276,000. And, at June 30, 2015, the Company had a contract backlog approximating $2,083,000 with anticipated direct costs to complete approximating $1,794,000.

Note 10 - SUBSEQUENT EVENTS

Date of Management's Review:

The Company has evaluated subsequent events for the period from June 30, 2016, the date of these Financial Statements, through April 17, 2017, which represents the date these Financial Statements were available to be issued.

Sale of business:

On January 31, 2017, the shareholders of the Company entered into a Share Exchange Agreement with H/Cell Energy Corporation ("H/Cell"), an entity affiliated by common ownership, whereby H/Cell agreed to acquire all outstanding shares of the Company in exchange for shares of stock in H/Cell.

Exhibit 99.03

TABLE OF CONTENTS

BALANCE SHEETS
DECEMBER 31, 2016
(UNAUDITED)

ASSETS		
Current assets:		
Cash and cash equivalents	$	244,980
Accounts and retainage receivable, net		650,886
Costs and earnings in excess of billings		91,657
Prepaid expenses		839
Total current assets		988,362
Property and equipment, net of accumulated depreciation		99,816
Security deposits and other non-current assets		6,097
	$	1,094,275
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$	655,026
Accounts payable to related party		52,211
Sales tax payable		114,085
Billings in excess of costs and earnings		75,691
Total current liabilities		897,013
Shareholders' equity:		
Common stock, no par value, 1,000,000 shares authorized, 97,939 shares issued and outstanding		504,484
Retained earnings (deficit)		(256,416)
Accumulated other comprehensive loss		(50,806)
Total shareholders' equity		197,262
Total liabilities and shareholders' equity	$	1,094,275

See accompanying notes to financial statements .

STATEMENTS OF OPERATIONS, COMPREHENSIVE OPERATIONS AND SHAREHOLDERS' EQUITY (UNAUDITED)

	Six Months Ended December 31, 2016	Six Months Ended December 31, 2015
Construction income	$ 2,207,238	$ 3,373,775
Direct costs	1,408,406	2,326,160
Gross profit	798,832	1,047,615
General and administrative expenses	862,524	1,030,929
(Loss) income before other income and expense	(63,692)	16,686
Other income (expense):		
Loss on disposition of equipment	17,651	4,722
Interest expense	-	(1,142)
Other income	453	2,267
Total other income	18,104	5,847
Net income (loss)	(45,588)	22,533
Other comprehensive (loss) income:		
Foreign currency translation difference	(6,343)	(21,998)
Total comprehensive (loss) income	(51,931)	535
Shareholders' equity, beginning of period	249,193	423,220
Shareholders' equity, end of period	$ 197,262	$ 423,755

See accompanying notes to financial statements .

STATEMENTS OF CASH FLOWS
(UNAUDITED)

	December 31, 2016	December 31, 2015
Cash flows from operating activities:		
Net (loss) income	$ (45,588)	$ 22,533
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation	13,402	5,407
(Increase) decrease in:		
Accounts and retainage receivable	104,511	(247,511)
Costs and earnings in excess of billings	12,914	(137,708)
Prepaid expenses and other current assets	7,368	(683)
Security deposits and other non-current assets	-	6,274
Increase (decrease) in:		
Accounts payable and accrued expenses	6,634	162,968
Accounts payable to related party	14,403	(121)
Billings in excess of costs and earnings	(9,517)	49,393
Sales tax payable	(39,583)	3,415
Net cash provided by (used in) operating activities	64,544	(136,033)
Cash flows from investing activities:		
Purchase of property and equipment	(63,279)	(32,641)
Net cash used in investing activities	(63,279)	(32,641)
Net increase (decrease) in cash	1,265	(168,674)
Effect of foreign currency translation on cash	(6,481)	(16,716)
Cash and cash equivalents, beginning of year	250,196	277,522
Cash and cash equivalents, end of year	$ 244,980	$ 92,132
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ -	$ -
Cash paid for taxes	$ -	$ -

See accompanying notes to financial statements .

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF OPERATIONS

Formed under the laws of the Australian State of Queensland in 1997, The Pride Group Pty Ltd (the "Company") is a leading provider of a variety of technology based products and services in the commercial security systems space and in the renewable energy space, including, but not limited to, alarm systems, access control, video surveillance, closed circuit television, audio and visual systems and public announcement systems.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Accounts and retainage receivable:

Accounts receivable are recorded when invoices are issued and are presented in the balance sheet net of the allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on the Company's historical losses, the existing economic conditions in the construction industry, and the financial stability of its customers. Accounts are written off as uncollectible after collection efforts have failed. In addition, the Company does not generally charge interest on past-due accounts or require collateral. At December 31, 2016, there was no allowance for doubtful accounts required.

Property and Equipment, and Depreciation :

Property and equipment are stated at cost. Depreciation is generally provided using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized on a straight-line basis over the shorter of the remaining term of the lease or the estimated useful life of the improvement.

Repairs and maintenance that do not improve or extend the lives of the property and equipment are charged to expense as incurred.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of two components, net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) refers to revenue, expenses, gains and losses that are recorded as an element of stockholder's equity but are excluded from net income (loss). The Company's other comprehensive income (loss) is comprised of foreign currency translation adjustments.

Foreign Currency Translation

Assets, liabilities, revenue and expenses denominated in non-U.S. currencies are translated at the rate of exchange prevailing on the date of the balance sheet. Gains (losses) on translation of the financial statements are from the Company's operations where the functional currency is not the U.S. dollar. Translation gains (losses) are reflected as a component of accumulated other comprehensive income (loss). Gains (losses) on foreign currency transactions are included in the statements of Income.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Cost Recognition:

The Company recognizes revenue from construction contracts over the contractual period under the percentage-of-completion (POC) method of accounting. This method of accounting recognizes sales and gross profit as work is performed based on the relationship between actual costs incurred and total estimated costs at completion. Recognized revenues that will not be billed under the terms of the contract until a later date are recorded in “Costs and earnings in excess of billings”. Likewise, contracts where billings to date have exceeded recognized revenues are recorded in “Billings in excess of costs and earnings”. Construction costs of projects under contract include all direct material and labor costs and other direct costs related to contract performance. Changes to the original estimates may be required during the life of the contract and such estimates are reviewed periodically. Changes in job performance, job conditions, estimated profitability and final contract settlements might result in revisions to costs and income that are recognized in the period in which the changes are disregarded. Estimated losses are recorded when identified and material.

The use of the POC method of accounting involves considerable use of estimates in determining revenues, costs and profits and in assigning the amounts to accounting periods. The Company continually evaluates all of the assumptions, risks and uncertainties inherent with the application of the POC method of accounting. Because of inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change within the near-term.

Revenue from service or short term contracts is recognized currently as the work is performed.

Cash and Cash Equivalents:

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Fair value of financial instruments:

The carrying value of the Company’s financial instruments, consisting principally of cash, receivables and accounts payable approximates fair value due to either the short-term maturity of the instruments or borrowings with similar interest rates or maturities.

Income taxes:

The Company accounts for uncertainty in income taxes using a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold is met. Management has determined that there were no tax uncertainties that met the recognition threshold at the balance sheet dates, and no interest and penalties related to unrecognized tax benefits have been recognized in the Company’s financial statements.

The Company files tax returns in the Australia federal jurisdiction and has no open tax years for 2012 and prior.

Compensated Absences :

The Company provides for employees to annually accrue up to five weeks of unused vacation beyond the calendar year as required by Australian law. At December 31, 2016, the Company had a balance of accrued unused vacation time of approximately $110,000.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising:

The Company expenses advertising costs as they are incurred. Advertising expense for the six months ended December 31, 2016 and 2015 were $1,073 and $2,297, respectively.

Operating Loss and Tax Credit Carryforwards:

At December 31, 2016, the Company has loss carryforwards totaling approximately $95,000 that may be offset against future taxable income. The carryforwards are available indefinitely.

NOTE 3 – SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

Cash maintained at an authorized deposit-taking institution (bank) incorporated in Australia is insured by the Australian Securities & Investments Commission ("ASIC") up to approximately $180,000 USD in total. At December 31, 2016, cash balances, in USD exceeded ASIC insured limits by approximately $72,000.

Credit risk for trade accounts is concentrated as well because substantially all of the balances are receivable from entities located within certain geographic regions. To reduce credit risk, the Company performs ongoing credit evaluations of its customers' financial conditions, but does not generally require collateral. In addition, at December 31, 2016, approximately 25% of the Company's accounts receivable is due from one unrelated customer; and, at December 31, 2015, approximately 37% of the Company's accounts receivable is due from two unrelated customers, 22% and 15%, respectively.

NOTE 4 – MAJOR CUSTOMERS

During the six months ended December 31, 2016, there were no customers with a concentration of 10% or higher. During the six months ended December 31, 2015, approximately 17% of the Company's revenue was earned from one customer.

NOTE 5 – PROPERTY AND EQUIPMENT

At December 31, 2016, property and equipment are comprised of the following:

Furniture and fixtures (5 to 7 years)	$	6,320
Machinery and equipment (5 to 7 years)		34,480
Computer and software (3 to 5 years)		79,098
Auto and truck (5 to 7 years)		227,456
Leasehold improvements (life of lease)		37,425
		384,779
Less: accumulated depreciation		(284,963)
	$	99,816

Depreciation expense for the six months ended December 31, 2016 and 2015 amounted to $13,402 and $5,407, respectively.

NOTE 6 - RELATED PARTY TRANSACTIONS

At December 31, 2016, the balance due to Turquino Equity LLC, an entity affiliated by common ownership and management, amounted to approximately $52,000. During the six months ended December 31, 2016 and 2015, the Company paid $81,000 and $75,000, respectively, to Turquino Equity, LLC, for management services.

NOTE 7 - UNCOMPLETED CONTRACTS

Costs, estimated earnings and billings on uncompleted contracts are summarized as follows at December 31, 2016:

Costs incurred on uncompleted contracts	$	1,548,420
Estimated earnings		985,986
Costs and estimated earnings earned on uncompleted contracts		2,534,406
Billings to date		1,948,585
Costs and estimated earnings in excess of billings on uncompleted contracts		585,821
Costs and earnings in excess of billings on completed contracts		569,855
	$	15,966

Included in the amounts in the accompanying balance sheets under the following captions at December 31, 2016:

Costs and earnings in excess of billings	$	91,657
Billings in excess of costs and earnings		(75,691)
	$	15,966

NOTE 8 - LEASES

The Company entered into two operating leases for office space in Woombye and Brisbane, Queensland, Australia, both expiring in April 2018. The future minimum payments on the lease, net of charges to affiliated company, for each of the next two years and in the aggregate amount to the following:

2017 (remaining)	$	43,476
2018		93,461
	$	136,937

Rent expense for the six months ended December 31, 2016 and 2015 amounted to approximately $90,000 and $96,000, respectively, and is included in “General and Administrative” expenses on the related statements of income.

Note 9 - CONTRACT BACKLOG

As of December 31, 2016, the Company had a contract backlog of approximately $2,218,000 with anticipated direct costs to complete of approximately $1,795,463.

Note 10 - SUBSEQUENT EVENTS

Date of Management's Review:

The Company has evaluated subsequent events for the period from December 31, 2016, the date of these Financial Statements, through April 17, 2017, which represents the date these Financial Statements were available to be issued.

Sale of business:

On January 31, 2017, the shareholders of the Company entered into a Share Exchange Agreement with H/Cell Energy Corporation ("H/Cell"), an entity affiliated by common ownership, whereby H/Cell agreed to acquire all outstanding shares of the Company in exchange for shares of stock in H/Cell.

UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

On January 31, 2017 (the "Closing Date"), we entered into a share exchange agreement (the "Exchange Agreement") by and among us, The Pride Group (QLD) Pty Ltd., an Australian corporation ("Pride"), Turquino Equity LLC ("Turquino") and Stephen Paul Mullane and Marie Louise Mullane as Trustees of the Mullane Family Trust (the "Mullane Trust" and together with Turquino, the "Pride Shareholders"). Andrew Hidalgo and Matthew Hidalgo, our Chief Executive Officer and Chief Financial Officer, respectively, are each a managing partner of Turquino.

Pursuant to the exchange agreement, we acquired all of the issued and outstanding capital stock of Pride from the Pride Shareholders in exchange for an aggregate of 3,800,000 shares of our common stock (the "Acquisition Shares").

The unaudited pro forma combined balance sheet as of December 31, 2016 giving effect to the contribution transactions as if they had occurred on the balance sheet date, and statements of operations for the year ended December 31, 2016 include the historical statements of operations of the combined companies, giving effect to the contribution transactions as if they had occurred at the beginning of the period. This information is only a summary, and you should read it in conjunction with the company's historical financial statements and related notes and management's discussion and analysis of financial condition and results of operations contained in H/Cell's annual reports, quarterly reports and other information on file with the SEC. As a result, the combination of H/Cell and Pride pursuant to the exchange agreement is considered a business combination of companies under common control and will be accounted for in a manner similar to a pooling-of-interests.

We have prepared the unaudited pro forma combined financial statements based on available information, using assumptions that we believe are reasonable. These unaudited pro forma combined financial statements are being provided for informational purposes only. They do not purport to represent our actual financial position or results of operations had the exchange agreement occurred on the dates specified, nor do they project our results of operations or financial position for any future period or date.

The unaudited pro forma condensed combined statements of operations do not reflect any adjustments for non-recurring items or anticipated synergies resulting from the combination. Pro forma adjustments are based on certain assumptions and other information that are subject to change as additional information becomes available. Accordingly, the adjustments included in our financial statements published after the completion of the combination may vary from the adjustments included in these unaudited pro forma condensed combined financial statements below.

H/CELL ENERGY CORPORATION
UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF DECEMBER 31, 2016

	H/Cell	Pride	Pro Forma Adjustment	Pro Forma Combined
	December 31, 2016			
ASSETS				
Current Assets				
Cash and Cash Equivalents	$ 292,887	$ 244,980	$ -	$ 537,867
Accounts and retainage receivable, net	-	650,886	-	650,886
Prepaid Expenses	13,329	839	-	14,168
Costs in Excess of Billings	247	91,657	-	91,904
Total Current Assets	306,463	988,362	-	1,294,825
Property and equipment, net of accumulated depreciation	-	99,816	-	99,816
Security deposits, and other non-current assets	2,400	6,097	-	8,497
TOTAL ASSETS	$ 308,863	$ 1,094,275	$ -	$ 1,403,138
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts Payable and Accrued Expenses	$ 6,000	$ 707,237	$ -	$ 713,237
Billings in Excess of Costs	7,847	75,691	-	83,538
Sales Tax Payable	-	114,086	-	114,086
Due to Stockholders	-	-	-	-
Total Current Liabilities	13,847	897,014	-	910,861
Stockholders' Equity				
Common Stock	313	-	380(a)	693
Preferred Stock	-	-	-	-
Paid-in-Capital	778,938	504,484	(380) (a)	1,283,042
Retained Earnings	(484,235)	(307,223)	-	(791,458)
Total Stockholders' Equity	295,016	197,261	-	492,277
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$ 308,863	$ 1,094,275	$ -	$ 1,403,138

(a) To reflect 3,800,000 common shares issued as consideration in the share exchange agreement.

H/CELL ENERGY CORPORATION
UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

	H/Cell	Pride (AUD to USD)	Pro Forma Adjustment	Pro Forma Combined
	December 31, 2016			
Revenue				
Contracts	$ 8,553	$ 5,060,904	$ -	$ 5,069,457
Related Party	12,374	-	-	12,374
Total Revenue	20,927	5,060,904	-	5,081,831
Cost of Goods Sold				
Contracts	9,882	3,334,976	-	3,344,858
Related Party	10,627	-	-	10,627
Total Cost of Goods Sold	20,509	3,334,976	-	3,355,485
Gross Profit	$ 418	$ 1,725,928	$ -	$ 1,726,346
Operating Expenses				
Research and Development	2,000	-	-	2,000
General and Administrative Expenses	476,833	1,901,430	-	2,378,263
Total Operating Expenses	478,833	1,901,430	-	2,380,263
Loss before other income and expense	$ (478,415)	$ (175,502)	$ -	$ (653,917)
Income Tax Provision (Benefit)	-	-	-	-
Other Income				
Gain on disposition of equipment	-	(25,350)	-	(25,350)
Other income	-	1,391	-	1,391
Total Other Income	-	(23,959)	-	(23,959)
Net Income (Loss)	$ (478,415)	$ (199,461)	$ -	$ (677,876)
Other Comprehensive Loss				
Foreign currency translation difference	-	(25,695)	-	$ (25,695)
Total Comprehensive Gain (Loss)	-	(225,156)	-	(225,156)
Stockholders Equity, Beginning of Year	453,581	249,193	-	702,774
Stockholders Equity, End of Year	$ 295,016	$ 197,261	$ -	$ 492,277