
**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): February 1, 2018

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

Nevada
(State or Other Jurisdiction
of Incorporation)

000-55802
(Commission
File Number)

47-4823945
(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

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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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

EXPLANATORY NOTE

On February 5, 2018, 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 PVBJ Inc., a New Jersey corporation (“PVBJ”), which was completed on February 1, 2018. 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 5, 2018 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 PVBJ Inc. as of December 31, 2017 and 2016, and for each of the two years in the period ended December 31, 2017, are filed as Exhibit 99.02 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 99.03 hereto and incorporated herein by reference.

(d) Exhibits.

- 10.01 [Form of Stock Purchase Agreement, by and among H/Cell Energy Corporation, PVBJ Inc. and Benis Holdings LLC, dated February 1, 2018, filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 5, 2018 and incorporated herein by reference.](#)
- 10.02 [Form of Employment Agreement, by and between H/Cell Energy Corporation and Paul V. Benis, Jr., dated February 1, 2018, filed as an exhibit to the Current Report on Form 8-K, filed with the Securities and Exchange Commission on February 5, 2018 and incorporated herein by reference.](#)
- 99.01 [Press Release, dated February 5, 2018, 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 5, 2018 and incorporated herein by reference.](#)
- 99.02 [Audited consolidated financial statements of PVBJ Inc. as of December 31, 2017 and 2016 and for each of the two fiscal years in the period ended December 31, 2017.](#)
- 99.03 [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: June 19, 2018

By: /s/ MATTHEW HIDALGO

Matthew Hidalgo
Chief Financial Officer

PVBJ Inc.

FINANCIAL STATEMENTS

December 31, 2017 and 2016

PVBJ Inc.

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Independent Auditors' Report

To the Shareholders of
PVBJ Inc.

We have audited the accompanying financial statements of PVBJ, Inc. which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of operations and shareholder deficit, 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 PVBJ Inc. as of December 31, 2017 and 2016, 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, P.A.

Somerset, New Jersey
June 15, 2018

PVBJ Inc.

BALANCE SHEETS

	Year Ended December 31,	
	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 82,063	\$ 53,244
Accounts receivable, net	226,707	267,792
Total current assets	308,770	321,036
Property and equipment, net of accumulated depreciation	280,969	314,019
Total assets	<u>\$ 589,739</u>	<u>\$ 635,055</u>
LIABILITIES AND SHAREHOLDER DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	\$ 166,433	\$ 159,416
Current notes payable	14,918	13,547
Current capital lease payable	66,475	56,018
Total current liabilities	247,826	228,981
Line of credit	198,701	144,015
Capital leases	199,961	224,749
Notes payable	71,898	70,721
Total long term liabilities	470,560	439,485
Total liabilities	<u>\$ 718,386</u>	<u>\$ 668,466</u>
Shareholder deficit:		
Common stock, no par value, 100 shares authorized, 100 shares issued and outstanding	40,000	40,000
Contributed capital	29,262	32,134
Accumulated deficit	(197,909)	(105,545)
Total shareholder deficit	(128,647)	(33,411)
Total liabilities and shareholder equity	<u>\$ 589,739</u>	<u>\$ 635,055</u>

See accompanying notes to financial statements.

PVBJ Inc.

STATEMENTS OF OPERATIONS AND SHAREHOLDER DEFICIT

	Year Ended December 31,	
	2017	2016
Sales	\$ 2,181,086	\$ 2,216,107
Cost of sales	1,636,404	1,675,574
Gross profit	544,682	540,533
General and administrative expenses	594,983	514,872
Income (loss) before other income and expense	(50,301)	25,661
Other expense:		
Loss on disposition of equipment	4,657	3,819
Interest expense	37,407	39,223
Total other expense	42,064	43,042
Net loss	(92,365)	(17,381)
Shareholder deficit, beginning of year	(33,411)	(48,164)
Shareholder distributions	(2,871)	(957)
Contributed capital	-	33,091
Shareholder deficit, end of year	\$ (128,647)	\$ (33,411)

See accompanying notes to financial statements.

PVBJ Inc.

STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2017	2016
Cash flows from operating activities:		
Net loss	\$ (92,365)	\$ (17,381)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	94,700	94,641
Loss on disposal of assets (Increase) decrease in:	4,657	3,819
Accounts receivable	55,208	(54,188)
Allowance for doubtful accounts	(14,123)	14,123
Prepaid expenses and other current assets	-	12,062
Security deposits increase (decrease) in:	-	686
Accounts payable and accrued expenses	7,017	(48,099)
Net cash provided by operating activities	55,094	5,663
Cash flows from investing activities:		
Proceeds from disposition of property and equipment	-	-
Net cash (used in) investing activities	-	-
Cash flows from financing activities:		
Proceeds from line of credit	55,863	-
Payments on line of credit	-	(708)
Repayment of notes payable	(7,941)	(4,863)
Repayment of capital leases	(71,326)	(62,047)
Proceeds from contributed capital	-	33,091
Shareholder distribution	(2,871)	(957)
Net cash provided by (used in) financing activities	26,275	(35,484)
Net increase (decrease) in cash and cash equivalents	28,819	(29,821)
Cash and cash equivalents, beginning of year	53,244	83,065
Cash and cash equivalents, end of year	\$ 82,063	\$ 53,244
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 37,407	\$ 39,223
Cash paid for taxes	\$ 1,965	\$ 2,907

See accompanying notes to financial statements.

PVBJ Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 - NATURE OF OPERATIONS

Established in 2008, PVBJ, Inc. doing business as Temperature Service Company (the “Company”) a New Jersey S-Corporation is a regionally recognized company that specializes in HVAC and refrigeration for commercial and residential customers. The services offered include design, installation, repair, maintenance and emergency services for environmental systems. The Company has a highly trained technical team that is experienced in all aspects of environmental systems. The Company works directly with end users and through general contractors. The Company covers the Pennsylvania, New Jersey, Maryland and Delaware markets.

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 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, 2017 there was no allowance doubtful accounts and at December 31, 2016 there was a \$14,123 allowance for doubtful accounts.

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.

Revenue Recognition:

Revenue is all from service or short term contracts and is recognized currently as the work is performed. Time and materials are accordingly charged to the customer at completion of the job.

The Company recognizes revenues when there is persuasive evidence of an arrangement, delivery has occurred or services are rendered, the sales price is determinable, and collectability is reasonably assured. Revenue is typically recorded once all performance obligations of PVBJ, Inc. have been satisfied. Sales are recorded net of discounts and returns, which historically have not been material.

Cash and Cash Equivalents:

Cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. The Company has no cash equivalents for either years presented.

PVBJ Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

Advertising Costs

Advertising costs are charged to expense during the period in which they are incurred. Advertising expense for the years ended December 31, 2017 and 2016 was approximately \$1,738 and \$1,248, respectively.

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:

PVBJ Inc. is a New Jersey S-Corporation with pass through tax benefit to the shareholder of PVBJ Inc. personal tax returns. Accordingly, no provision has been made for income taxes in the accompanying financial statements, since all items of income or loss are required to be reported on the income tax returns of the Shareholder, who are responsible for any taxes thereon.

Sales and Use Tax

The Company collects sales tax in various jurisdictions. Upon collection from customers, it records the amount as a payable to the related jurisdiction. On a periodic basis, it files a sales tax return with the jurisdictions and remits the amount indicated on the return.

NOTE 3 – SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

Cash is maintained at an authorized deposit-taking institution incorporated in the United States and is insured by the U.S. Federal Deposit Insurance Corporation up to \$250,000.

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, 2017, 40% of the Company's accounts receivable was from one customer, and, at December 31, 2016, 61% of the Company's accounts receivable was due from three unrelated customers at 31%, 18% and 12%.

NOTE 4 – MAJOR CUSTOMERS

During the year ended December 31, 2017, there was one customer with a concentration of 40% of the Company's revenue. During the year ended December 31, 2016, the Company earned 61% of its revenue from three customers at approximately 31%, 18% and 12%.

NOTE 5 – PROPERTY AND EQUIPMENT

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

	2017	2016
Furniture and fixtures (5 to 7 years)	\$ 6,464	\$ 6,464
Auto and truck (5 to 7 years)	501,615	450,151
	508,079	456,615
Less: accumulated depreciation	(227,110)	(142,596)
	\$ 280,969	\$ 314,019

Depreciation expense for the years ended December 31, 2017 and 2016 amounted to \$94,700 and \$94,159, respectively.

PVBJ Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 6 – COMMITMENTS

The Company entered into one operating lease for office space in Downingtown, PA expiring in December 2018. The future minimum payments on the lease for the next year and in the aggregate amount to the following:

2018	\$	16,200
		16,200

Rent expense for the years ended December 31, 2017 and 2016 amounted to approximately \$16,200 and \$19,600, respectively, and is included in General and Administrative expenses on the related statements of operations.

During the year ended December 31, 2016, the Company leased equipment under three capital leases, which expire in June 2023. During the year ended December 31, 2017 the company entered into one more capital lease bringing the total to four. The obligations are payable in monthly installments ranging from approximately \$615 to \$2,630 with interest rates from 5.57% to 7.20% per annum. The leases are secured by the related equipment.

At December 31, capital leases are comprised of the following:

	2017	2016
Auto and truck (5 to 7 years)	262,400	312,937
Less: accumulated depreciation	(185,394)	(111,911)
	\$ 77,006	\$ 201,026

At December 31, 2017, approximate payments to be made on these capital lease obligations are as follows:

2018	\$	78,207
2019		78,207
2020		78,207
2021		44,680
2022		7,510
Thereafter		4,380
Capital lease obligation		291,191
Less amounts representing interest		24,755
Current portion		66,475
Net	\$	199,961

For the years ended June 30, 2017 and 2016, interest expense on the capital leases was approximately \$14,840 and \$17,782, respectively. Amortization of the capital leases is included in depreciation expense on the income statement.

PVBJ Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 7 – NOTES PAYABLE

Notes payable consisted of the following:

	December 31, 2017	December 31, 2016
Note payable with monthly payments of \$716, including interest at 6.50% per annum through April 2021.	\$ 25,576	\$ 32,341
Note payable with monthly payments of \$792, including interest at 5.44% per annum through June 2023.	\$ -	\$ 51,920
Note payable with monthly payments of \$947 including interest at 6.14% per annum through August 2024.	\$ 61,240	-
Total	\$ 86,816	\$ 84,261

Aggregate annual principal payments in the fiscal years subsequent to December 31 2017, are as follows:

Year ending December:	Amount
2018	\$ 14,918
2019	15,887
2020	16,919
2021	12,064
2022	9,926
Thereafter	17,102
	<u>\$ 86,816</u>

NOTE 8 - 401(k) PLANS

Substantially all of the Company's employees may elect to defer a portion of their annual compensation in the Company-sponsored 401(k) tax-deferred savings plans. The Company makes matching contributions in these plans. The amount charged to expense for these plans was \$19,276 and \$9,979 for the years ended December 31, 2017 and 2016, respectively.

PVBJ Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 9 - SUBSEQUENT EVENTS

Date of Management's Review:

The Company has evaluated subsequent events for the period from December 31, 2017, the date of these financial statements, through June 15, 2018 which represents the date these financial statements were available to be issued.

Sale of business:

On February 1, 2018, the shareholder of the Company entered into a Share Exchange Agreement with H/Cell Energy Corporation ("H/Cell"), whereby H/Cell acquired all outstanding shares of the Company in exchange for 444,445 shares in H/Cell stock with a fair value of \$1,177,779 and \$221,800 of earn-out liability.

On February 1, 2018 (the “Closing Date”), H/Cell Energy Corporation (“the Company”) entered into a share exchange agreement (the “Exchange Agreement”) by and among the Company, PVBJ Inc., (“PVBJ”), and Benis Holdings LLC, the sole shareholder of PVBJ.

Pursuant to the exchange agreement, the Company acquired PVBJ of Downingtown, Pennsylvania for 444,445 of the Company’s common stock with a fair value of \$1,177,779 and \$221,800 in earn-out liability (the “Acquisition Shares”).

The unaudited pro forma combined balance sheet as of December 31, 2017 giving effect to the exchange agreement as if they had occurred on the balance sheet date, and statements of operations for the year ended December 31, 2017 and include the historical statements of operations of the combined companies, giving effect to the exchange agreement as if it 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 the Company’s annual reports, quarterly reports and other information on file with the SEC. As a result, the combination of the Company and PVBJ pursuant to the Exchange Agreement will be accounted for using purchase method accounting.

The Company has prepared the unaudited pro forma combined financial statements based on available information, using assumptions that it believes are reasonable. These unaudited pro forma combined financial statements are being provided for informational purposes only. They do not purport to represent the Company’s actual financial position or results of operations had the exchange agreement occurred on the dates specified, nor do they project the Company’s 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 the Company’s 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 BALANCE SHEET
AS OF DECEMBER 31, 2017

	<u>H/Cell</u>	<u>PVBJ</u>	<u>Proforma Adjustment</u>	<u>Proforma Combined</u>
	<u>December 31, 2017</u>			
<u>ASSETS</u>				
Current Assets				
Cash and Cash Equivalents	\$ 455,700	\$ 82,063	\$ -	\$ 537,763
Accounts Receivable, Net	808,050	226,707	-	1,034,757
Prepaid Expenses	14,669	-	-	14,669
Costs in Excess of Billings	51,531	-	-	51,531
Total Current Assets	1,329,950	308,770	-	1,638,720
Property and Equipment, Net of Accumulated Depreciation	102,573	280,969	-	383,542
Security Deposits, and Other Non-Current Assets	8,416	-	-	8,416
Goodwill	-	-	1,373,621(2)	1,373,621
Customer Lists	-	-	102,422(4)	102,422
Deferred Tax Asset	44,257	-	-	44,257
TOTAL ASSETS	\$ 1,485,196	\$ 589,739	\$ 1,476,043	\$ 3,550,978
<u>LIABILITIES AND SHAREHOLDERS EQUITY</u>				
Current Liabilities				
Accounts Payable and Accrued Expenses	\$ 631,385	\$ 166,433	\$ -	\$ 797,818
Management Fees Payable - related party	31,257	-	-	31,257
Billings in Excess of Costs	87,206	-	-	87,206
Sales & Withholding Tax Payable	61,239	-	-	61,239
Income Tax Payable	98,313	-	-	98,313
Current Notes Payable	-	14,918	-	14,918
Current Capital Lease Payable	-	66,475	-	66,475
Total Current Liabilities	909,400	247,826	-	1,157,226
Line of Credit	-	198,701	-	198,701
Capital Leases	-	199,961	-	199,961
Earn Out Liability	-	-	175,318(3)	175,318
Notes Payable	-	71,898	-	71,898
Total Long Term Liabilities	-	470,560	175,318	645,878
Total Liabilities	909,400	718,386	175,318	1,803,104
Commitments and Contingencies				
Shareholders' Equity				
Common Stock	704	40,000	(39,956)(1)	748
Additional Paid-in-Capital	1,335,656	29,262	1,142,772(1)(2)	2,903,508
Accumulated Deficit	(731,754)	(197,909)	197,909(1)	(1,127,572)
Accumulated Other Comprehensive Loss	(28,810)	-	-	(28,810)
Total Shareholder Equity (Deficit)	575,796	(128,647)	1,300,725	1,747,874
TOTAL LIABILITIES & SHAREHOLDERS EQUITY	\$ 1,485,196	\$ 589,739	\$ 1,476,043	\$ 3,550,978

See Accompanying Notes to Financial Statements

H/CELL ENERGY CORPORATION

UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

	H/Cell	PVBJ	Proforma Adjustment	Proforma Combined
	December 31, 2017			
Revenue				
Sales	\$ 6,266,967	\$ 2,181,086	\$ -	\$ 8,448,053
Related Party	85,919	-	-	85,919
Total Revenue	<u>6,352,886</u>	<u>2,181,086</u>	<u>-</u>	<u>8,533,972</u>
Cost of Goods Sold				
Direct Costs	4,241,421	1,636,404	-	5,877,825
Related Party	87,649	-	-	87,649
Total Cost of Goods Sold	<u>4,329,070</u>	<u>1,636,404</u>	<u>-</u>	<u>5,965,474</u>
Gross Profit	<u>\$ 2,023,816</u>	<u>\$ 544,682</u>	<u>\$ -</u>	<u>\$ 2,568,498</u>
Operating Expenses				
Selling General and Administrative Expenses	1,776,859	594,983	-	2,371,842
Management Fees - related party	184,004	-	-	184,004
Total Operating Expenses	<u>1,960,863</u>	<u>594,983</u>	<u>-</u>	<u>2,555,846</u>
Income (Loss) from operations	<u>\$ 62,953</u>	<u>\$ (50,301)</u>	<u>\$ -</u>	<u>\$ 12,652</u>
Income Tax	54,056	-	-	54,056
Income (loss) before other income and expense	<u>8,897</u>	<u>(50,301)</u>	<u>-</u>	<u>(41,404)</u>
Other (Income) Expense Net				
Gain on disposition of equipment	-	4,657	-	4,657
Other Income	-	-	-	-
Interest Expense	-	37,407	-	37,407
Total Other (Income) Expense	<u>-</u>	<u>42,064</u>	<u>-</u>	<u>42,064</u>
Net Income (Loss)	<u>\$ 8,897</u>	<u>\$ (92,365)</u>	<u>\$ -</u>	<u>\$ (83,468)</u>
Foreign currency translation adjustment	21,996	-	-	21,996
Comprehensive Income (Loss)	<u>\$ 30,893</u>	<u>\$ (92,365)</u>	<u>\$ -</u>	<u>\$ (61,472)</u>



BASIS OF PRO FORMA PRESENTATION

The unaudited pro forma condensed combined balance sheet as of December 31, 2017 and the unaudited pro forma condensed statements of operations for the twelve months ended December 31, 2017, are based on the historical financial statements of H/Cell Energy Inc. (the “Company”) and PVBJ Inc. (“PVBJ”) after giving effect to the Company’s acquisition that was consummated on February 1, 2018 and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined balance sheet and statement of operations for year ended December 31, 2017 are presented as if the acquisition of PVBJ had occurred on January 1, 2017 and were carried forward through each of the period presented.

The Company accounts for business combinations pursuant to Accounting Standards Codification ASC 805, Business Combinations. In accordance with ASC 805, the Company uses its best estimates and assumptions to accurately assign fair value to the assets acquired and the liabilities assumed at the acquisition date. Goodwill as of the acquisition date is measured as the excess of the purchase consideration over the fair value of the assets acquired and the liabilities assumed.

The fair values assigned to PVBJ’s assets acquired and liabilities assumed are based on management’s estimates and assumptions. The estimated fair values of these assets acquired and liabilities assumed are considered preliminary and are based on the information that was available as of the date of acquisition. The Company believes that the information provides a reasonable basis for estimating the fair values of assets acquired and liabilities assumed, but is waiting for additional information, primarily related to estimated values of current and non-current income taxes payable and deferred taxes, which are subject to change, pending the finalization of certain tax returns. The Company expects to finalize the valuation of the assets and liabilities as soon as practicable, but not later than one year from the acquisition date.

The unaudited pro forma condensed combined financial information is not intended to represent or be indicative of the Company’s consolidated results of operations or financial position that the Company would have reported had the PVBJ acquisition been completed as of the dates presented, and should not be taken as a representation of the Company’s future consolidated results of operation or financial position.

The unaudited pro forma condensed combined financial information should be read in conjunction with the historical consolidated financial statements and accompanying notes of the Company included in the annual report on form 10K for the year ended December 31, 2017.

Accounting Periods Presented

For purposes of these unaudited pro forma condensed combined financial information, PVBJ Inc.’s historical financial statements for the year ended December 31, 2017 have been aligned to more closely conform to the Company’s financial information, as explained below. Certain pro forma adjustments were made to conform PVBJ’s accounting policies to the Company’s accounting policies as noted below.

Reclassifications

The Company reclassified certain accounts in the presentation of PVBJ’s historical financial statements in order to conform to the Company’s presentation.

2. ACQUISITION OF PVBJ INC.

On February 1, 2018, the Company acquired PVBJ pursuant to the terms of that certain share exchange agreement entered into between the Company and Paul Benis, the former owner of PVBJ.

Upon Closing, the Company acquired 100% of the outstanding securities of PVBJ in consideration pursuant to the exchange agreement, the Company acquired PVBJ of Downingtown, Pennsylvania for 444,445 shares of the Company’s common stock with a fair value \$1,177,779 and \$221,800 in earn-out liability.

A summary of consideration is as follows:

444,445 shares of the Company's common stock	1,177,779
Liabilities assumed	878,565
Total purchase price	\$ 2,056,343

The following summarizes the current estimates of fair value of assets acquired and liabilities assumed:

Cash	\$ 30,408
Accounts Receivable	277,338
Property and equipment	272,554
Customer Lists	102,422
Goodwill	1,373,621
Assets acquired	\$ 2,056,343

The purchase price allocation for the above acquisitions is subject to further refinement as management completes its assessment of the valuation of certain assets and liabilities.

The Company accounts for acquisitions in accordance with the provisions of ASC 805-10. The Company assigns to all identifiable assets acquired, a portion of the cost of the acquired company equal to the estimated fair value of such assets at the date of acquisition. The Company records the excess of the cost of the acquired company over the sum of the amounts assigned to identifiable assets acquired as goodwill.

3. PRO FORMA ADJUSTMENTS

The following pro forma adjustments are included in the Company's unaudited pro forma condensed combined financial information:

- (1) To reflect 444,445 common shares issues as consideration in the share exchange agreement and eliminate PVBJ Inc.'s historical shareholder deficit.
 - (2) To record and align fair value of acquired assets and assumed liabilities and to record the preliminary estimate of goodwill for the Company's acquisition of PVBJ Inc. The preliminary estimate of goodwill represents the excess of the purchase consideration over the estimated fair value of the assets acquired and the liabilities assumed.
 - (3) To record cash earn out liability associated with the purchase of PVBJ Inc.
 - (4) To record customer list intangible asset of PVBJ Inc.
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