

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name  <b>SG BLOCKS, INC.</b>		2 Issuer's employer identification number (EIN)  <b>95-4463937</b>	
3 Name of contact for additional information  <b>INVESTOR RELATIONS</b>	4 Telephone No. of contact  <b>(646) 240-4235</b>	5 Email address of contact  <b>info@sgblocks.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  <b>195 Montague Street</b>		7 City, town, or post office, state, and Zip code of contact  <b>BROOKLYN, NY 11201</b>	
8 Date of action  <b>June 30, 2016</b>		9 Classification and description  <b>Common Stock exchanged for Common Stock</b>	
10 CUSIP number  <b>78418A 109/78418A 208</b>	11 Serial number(s)	12 Ticker symbol  <b>SGBX</b>	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **Prior to June 30, 2016, SG Blocks, Inc. was authorized to issue 300,000,000 shares of common stock, par value \$0.01 (the "Former Common Stock") of which 42,918,927 shares were issued and outstanding as of June 29, 2016. On June 30, 2016, all previously issued and outstanding shares of the Former Common Stock were deemed discharged, cancelled, and extinguished, and, pursuant to the bankruptcy plan of reorganization (effective June 30, 2016), SG Blocks, Inc. issued, in the aggregate, 491,365 shares of common stock, par value \$0.01 (the "New Common Stock"), to the holders of the Former Common Stock.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The organizational action described on Line 14, above, should constitute a "recapitalization" for U.S. federal income tax purposes. As a result, a holder's aggregate tax basis in the shares of the New Common Stock received pursuant to the recapitalization should equal the aggregate tax basis of the shares of the Former Common Stock surrendered.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Not applicable.**

**Part II Organizational Action** (continued)

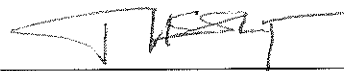
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The recapitalization is intended to be a reorganization under Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the "Code"). Under Code Section 358, a holder's aggregate tax basis in the shares of the New Common Stock received pursuant to the recapitalization should equal the aggregate tax basis of the shares of the Former Common Stock surrendered.

18 Can any resulting loss be recognized? ▶ No loss may be recognized by a holder upon the receipt of shares of the New Common Stock pursuant to the recapitalization in exchange for shares of the Former Common Stock.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Not applicable.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 1/6/17

Print your name ▶ MAHESH SHETTY Title ▶ CEO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	