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Heng Fai Enterprises Limited
恒輝企業控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 185)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached Form 10Q filed by Global Medical REIT Inc., a subsidiary company of the Company whose shares are traded on the Over-The-Counter Bulletin Board in the United States of America.

By Order of the Board
Heng Fai Enterprises Limited
Chan Tong Wan
Managing Director

Hong Kong SAR, 23 July, 2014

As at the date of this announcement, the executive Directors are Mr. Chan Heng Fai, Mr. Chan Tong Wan, Ms. Chan Yoke Keow; the non-executive Directors are Dr. Lam, Lee G., Mr. Fong Kwok Jen and Mr. Teh Wing Kwan and the independent non-executive Directors are Mr. Chan King Fai, Mr. Tan Choon Seng, Mr. Wong Dor Luk, Peter and Mr. Wong Tat Keung.

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **May 31, 2014**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **333-177592**

Global Medical REIT Inc.

(Exact name of registrant as specified in its charter)

<u>Maryland</u> (State or other jurisdiction of incorporation or organization)	<u>46-4757266</u> (I.R.S. Employer Identification No.)
<u>1601 Blake Street, Suite 310, Denver, CO</u> (Address of principal executive offices)	<u>80202</u> (Zip Code)

(303) 894-7971

(Registrant's telephone number, including area code)

Not applicable.

(Former Name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by a check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. As of July 18, 2014 there were 100,000,000 shares of common stock, \$0.001 par value, outstanding.

Global Medical REIT Inc.

QUARTERLY REPORT ON FORM 10-Q

May 31, 2014

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CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q (this “Report”) contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements discuss matters that are not historical facts. Because they discuss future events or conditions, forward-looking statements may include words such as “anticipate,” “believe,” “estimate,” “intend,” “could,” “should,” “would,” “may,” “seek,” “plan,” “might,” “will,” “expect,” “predict,” “project,” “forecast,” “potential,” “continue” negatives thereof or similar expressions. Forward-looking statements speak only as of the date they are made, are based on various underlying assumptions and current expectations about the future and are not guarantees. Such statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, level of activity, performance or achievement to be materially different from the results of operations or plans expressed or implied by such forward-looking statements.

We cannot predict all of the risks and uncertainties. Accordingly, such information should not be regarded as representations that the results or conditions described in such statements or that our objectives and plans will be achieved and we do not assume any responsibility for the accuracy or completeness of any of these forward-looking statements. These forward-looking statements are found at various places throughout this Report and include information concerning possible or assumed future results of our operations, including statements about potential acquisition or merger targets; business strategies; future cash flows; financing plans; plans and objectives of management; any other statements regarding future acquisitions, future cash needs, future operations, business plans and future financial results, and any other statements that are not historical facts.

These forward-looking statements represent our intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors. Many of those factors are outside of our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than we have described. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Report. All subsequent written and oral forward-looking statements concerning other matters addressed in this Report and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this Report.

Except to the extent required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, a change in events, conditions, circumstances or assumptions underlying such statements, or otherwise.

CERTAIN TERMS USED IN THIS REPORT

When this report uses the words “we,” “us,” “our,” and the “Company,” they refer to Global Medical REIT Inc.. “SEC” refers to the Securities and Exchange Commission.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

GLOBAL MEDICAL REIT INC.
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEETS
(UNAUDITED)

ASSETS	May 31, 2014	August 31, 2013
Assets		
Cash	\$ -	\$ 3,519
Escrow deposits	7,775,082	-
Total Assets	\$ 7,775,082	\$ 3,519
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accrued liabilities	\$ 42,564	\$ 19,044
Due to related parties	-	380
Note payable to shareholder	7,776,680	-
Total Liabilities	\$ 7,819,244	\$ 19,424
Stockholders' Equity		
Common stock		
Authorized: 100,000,000 shares, par value \$0.001, 8,000,000 share issued and outstanding	8,000	8,000
Additional paid-in capital	72,000	72,000
Deficit accumulated during the development stage	(124,162)	(95,905)
Total Stockholders' Equity	(44,162)	(15,905)
Total Liabilities and Stockholders' Equity	\$ 7,775,082	\$ 3,519

The accompanying notes are an integral part of these unaudited financial statements

GLOBAL MEDICAL REIT INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF OPERATIONS
(UNAUDITED)

	Nine Months Ended May 31, 2014	Nine Months Ended May 31, 2013	Three Months Ended May 31, 2014	Three Months Ended May 31, 2013	March 18, 2011 (Date of Inception) to May 31, 2014
Expenses					
General and administrative	\$ 28,257	\$ 37,724	\$ 6,905	\$ 6,532	\$ 124,162
<u>Total Operating Expenses</u>	<u>28,257</u>	<u>37,724</u>	<u>6,905</u>	<u>6,532</u>	<u>124,162</u>
<u>Net Loss</u>	<u>\$ (28,257)</u>	<u>\$ (37,724)</u>	<u>\$ (6,905)</u>	<u>\$ (6,532)</u>	<u>\$ (124,162)</u>
<u>Net Loss Per Share – Basic and Diluted</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>–</u>
Weighted Average Shares Outstanding	8,000,000	7,771,062	8,000,000	8,000,000	–

The accompanying notes are an integral part of these unaudited financial statements

GLOBAL MEDICAL REIT INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended May 31, 2014	Nine Months Ended May 31, 2013	March 18, 2011 (Date of Inception) to May 31, 2014
Operating Activities			
Net loss for the period	\$ (28,257)	\$ (37,724)	\$ (124,162)
Adjustments to reconcile net loss to net cash used in operating activities:			
Changes in operating assets and liabilities:			
Accounts payable – Related party	(380)	-	-
Accrued liabilities	23,520	6,000	42,564
Net Cash Used in Operating Activities	(5,117)	(31,724)	(81,598)
Investing Activities			
Escrow deposits for purchase of properties	(7,775,082)	-	(7,775,082)
Net Cash Used in Investing Activities	(7,775,082)	-	(7,775,082)
Financing Activities			
Proceeds from issuance of common stock	-	25,000	80,000
Proceeds from related party debt	7,776,680	-	7,776,680
Net Cash Provided by Financing Activities	7,776,680	25,000	7,856,680
Net Change in Cash	(3,519)	(6,724)	-
Cash, Beginning of Period	3,519	12,313	-
Cash, End of Period	\$ -	\$ 5,589	\$ -
Supplemental Disclosures			
Interest paid	-	-	-
Income taxes paid	-	-	-

The accompanying notes are an integral part of these unaudited financial statements

Note 1 - Organization, Nature of Business and Basis of Presentation

Organization and Nature of Business

Global Medical REIT Inc. (the “Company”) was incorporated in the state of Nevada on March 18, 2011 under the name Scoop Media, Inc. The Company changed its name effective January 6, 2014 in connection with its re-domestication into a Maryland corporation and its plans to develop and manage a portfolio of healthcare real estate assets and properties. Historically, the Company had previously been seeking to develop an Internet dating, review and information website. The Company has been in the exploration stage since its formation and has not commenced business operations.

On September 30, 2013, Xpress Group, Ltd., a Hong Kong company now known as Heng Fai Enterprises, Ltd. (“Heng Fai”) purchased 5,500,000 shares of the Common Stock of our company representing approximately 68.7% of its issued and outstanding common stock from Yukon Industries, Inc. for \$55,000 paid in cash at closing.

Basis of Presentation

The unaudited interim financial statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The financial statements and notes are presented as permitted on Form 10-Q and do not contain information included in the Company’s annual statements and notes. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these financial statements be read in conjunction with the August 31, 2013 audited financial statements and the accompanying notes thereto included in our Form 10-K. While management believes the procedures followed in preparing these condensed financial statements are reasonable, the accuracy of the amounts are in some respects dependent upon the facts that will exist, and procedures that will be accomplished by the Company later in the year.

These unaudited financial statements reflect all adjustments, including normal recurring adjustments which, in the opinion of management, are necessary to present fairly the operations and cash flows for the periods presented.

Escrow Deposits

Escrow deposits included refundable and non-refundable cash earnest money deposits for the purchase of properties (See Note 4) including advances from Heng Fai. (see Note 3).

Note 3 - Related Party Transactions

As at May 31, 2014, the Company was indebted to Heng Fai, its majority shareholder, in the amount of \$7,776,680, which is non-interest bearing, unsecured, and due on demand.

Note 4 – Commitments and Contingencies

On April 15, 2014, the Company entered into a Purchase and Sale Agreement (the “PSA”) with an unrelated party LTAC Landlord, LLC, a Nebraska limited liability company (“LTAC”), to acquire a 56-bed long term acute care hospital located at 1870 S 75th Street, Omaha, Nebraska (the “Facility”) for a purchase price of approximately \$21,700,000. The Facility is operated by Select Specialty Hospital – Omaha, Inc. pursuant to a sublease which expires in 2022, with sublessee options to renew up to 60 years (the “operating lease”). Also, the real property where the Facility and other improvements are located are subject to a land lease with Catholic Health Initiatives, a Colorado nonprofit corporation (the “land lease”). The land lease expires in 2022 with sublessee options to renew up to 60 years. As part of our acquisition of the Facility, we will acquire the operating lease and the land lease and will become bound by the terms and conditions of these leases. Except with respect to specific contingencies, we do not have the right to terminate the Agreement without LTAC’s consent. The material terms of the agreement provide for: (i) an initial deposit from us in the amount of \$200,000 that was paid on April 17, 2014 and shall be credited to the Purchase Price and is non-refundable except in limited circumstances; (ii) a property inspection period that expires on April 17, 2014 during which time we can terminate the Agreement at any time by delivering written notice to LTAC; (iii) a closing date that shall occur on or before May 15, 2014. We may extend the closing date until May 30, 2014 by depositing an additional \$200,000 with the title company that is acting as escrow agent for the transaction. The Agreement also contains additional customary covenants, representations and warranties as well as the following conditions to closing: (i) LTAC’s representations and warranties are true and correct as of the closing date; (ii) all required consents have been obtained; (iii) the Facility shall not have been destroyed; (iv) there shall be no adverse proceedings or litigation with respect to LTAC or the Facility; (v) we receive a title insurance policy related to the assets; (vi) there is no material adverse change in the condition of the assets to be acquired; (vii) we shall have obtained a commitment by April 17, 2014 for financing necessary to complete the transaction; and (viii) LTAC shall deliver to us the ground lessor’s waiver of its right of first refusal to purchase the ground lease.

Heng Fai, the majority shareholder, loaned the Company approximately \$7.7 million as of May 31, 2014 to assist with acquiring the Facility and pay closing costs as closings occur. The loan is unsecured, due on demand, and bears no interest

Note 5 – Subsequent Events

The LTAC Agreement and the Capital One Funding Agreement

On June 5, 2014, the Company completed the purchase of the acute care hospital facility pursuant to the PSA discussed in Note 4 above. As part of our acquisition of the acute care hospital facility, we will acquire the operating lease and the land lease and will become bound by the terms and conditions of these leases. Except with respect to specific contingencies, we do not have the right to terminate the Agreement without LTAC's consent.

In order to finance a portion of the purchase price for the Facility, on June 5, 2014 the Company entered into a Term Loan and Security Agreement with Capital One, National Association (the "Lender") to borrow \$15,060,000 (the "Loan"). The Loan bears interest at 4.91% per annum and all unpaid interest and principal is due on June 5, 2017 (the "Maturity Date"). Interest is paid in arrears and payments begin on August 1, 2014, and on the first day of each calendar month thereafter. Principal payments begin on January 1, 2015 and on the first day of each calendar month thereafter based on an amortization schedule with the principal balance due on the Maturity Date. The Loan may not be prepaid in whole or in part prior to June 5, 2016, thereafter, the Company, at its option, may prepay the Loan at any time, in whole (but not in part) on at least thirty (30) calendar days but not more than sixty (60) calendar days advance written notice. The prepayment amount will be equal to the outstanding principal balance of the Loan, any accrued and unpaid interest and all other fees, expenses and obligations including an Early Termination Fee of \$301,200.

At Closing, the Company paid the Lender a non-refundable commitment fee of \$150,600. If any principal, interest or other sum due by the Company is not paid on the date on which it is due, the Company is obligated to pay to the Lender an amount equal to the lesser of five percent (5%) of such unpaid sum or the maximum amount permitted by applicable laws (the "Late Payment Charge"). All fees hereunder shall be non-refundable and deemed fully earned when due and payable.

Security and Guarantees

The Company's obligation under the Term Loan and Security Agreement are secured by a first priority perfected security interest in all tangible and intangible existing and future personal property and real property of the Company.

Covenants

The Term Loan and Security Agreement contains covenants that are customary for similar credit arrangements. These include covenants relating to establishment of reserves for the payment of taxes, insurance and capital replacements (under certain circumstances), maintaining a collection account, financial reporting and notification, payment of indebtedness, taxes and other obligations, and compliance with certain applicable laws. There are also financial covenants that require the Company to (i) maintain a fixed charge coverage ratio (defined as the ratio of consolidated EBITDA to consolidated fixed charges for the four most recent fiscal quarters) of not less than 1.25 to 1.0 and (ii) maintain a EBITDA for each fiscal year of at least \$2,800,000. The Term Loan and Security Agreement also imposes certain customary limitations and requirements on the Company with respect to, among other things, the maintenance of properties, access to real property, insurance, compliance with laws, maintenance of books and records, inspection rights, environmental matters, indemnity, healthcare operations, right of first refusal for future financing, incurrence of indebtedness and liens, the making of investments, the payment of distributions or making of other restricted payments, healthcare matters, mergers, acquisitions and dispositions of assets, and transactions with affiliates.

Events of Default

The Term Loan and Security Agreement contains customary events of default, including, without limitation: non-payment of obligations under the Term Loan and Security Agreement when due; the material inaccuracy of any representations or warranties; a violation of covenants in the Term Loan and Security Agreement (subject, in the case of certain such covenants, to cure periods); a default related to other material debt or uninsured loss in excess of \$100,000; certain events of bankruptcy or insolvency; judgments for the payment of money in excess of \$100,000 in the aggregate that remains unpaid or unstayed and undischarged for a period of 30 days after the date on which the right to appeal has expired; and a change of control of the Company. The occurrence and continuance of an event of default could result in, among other things, amounts owing under the Term Loan and Security Agreement being accelerated, payment of the Early Termination Fee and the Term Loan and Security Agreement being terminated.

During the continuance of any default, the applicable interest rate on all obligations owing under the Term Loan and Security Agreement shall be the lesser of (a) the maximum rate permitted by applicable law; or (b) 3% per annum over the current interest rate otherwise applicable.

On July 17, 2014, the Company converted \$7,468,142 of the Heng Fai loan to the Company into a Convertible Debenture (the “Convertible Debenture”) that bears interest at the rate of 8% per annum and is convertible into shares of the Company’s common stock at a conversion price of \$0.03187 per share subject to adjustment as hereinafter set forth. Interest is payable monthly and the principal balance is due in full on June 31, 2015. The conversion price of the Convertible Debentures is subject to proportional adjustment in the event of stock splits, stock dividends and similar corporate events. The issuance of the Convertible Debentures discussed above were exempt from registration under the Securities Act of 1933, as amended, in reliance on Sections 4(a)(2) and 3(a)(9) of that act.

On July 17, 2014, the Company declared a one-time dividend of \$0.000213 per share payable to the holders of its common stock of record as of the close of business on July 31, 2014. Dividends shall be paid no later than the 20th day of the following month subject to compliance with applicable provisions of the Maryland General Corporation Law.

On July 17, 2014, the Company agreed to issue 92,000,000 shares of its unregistered Common Stock upon conversion of \$2,932,040 principal amount of the Company’s Convertible Debenture held by HFE USA, LLC, a wholly owned subsidiary of Heng Fai, the Company’s majority shareholder. Heng Fai assigned the Convertible Debenture to HFE USA, LLC on July 17, 2014 prior to the conversion.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion provides information which management believes is relevant to an assessment and understanding of our results of operations and financial condition. The discussion should be read along with our financial statements and notes thereto contained elsewhere in this Report. The following discussion and analysis contains forward-looking statements, which involve risks and uncertainties. Our actual results may differ significantly from the results, expectations and plans discussed in these forward-looking statements. See “Cautionary Statement on Forward-Looking Information.”

Overview

Global Medical REIT Inc. (the “Company”) was incorporated in the state of Nevada on March 18, 2011 under the name Scoop Media, Inc. The Company changed its name effective January 6, 2014 in connection with its re-domestication into a Maryland corporation and its plans to develop and manage a portfolio of healthcare real estate assets and properties. Historically, Company had previously been seeking to develop an Internet dating, review and information website. The Company has been in the exploration stage since its formation and has not commenced business operations.

On September 30, 2013, Xpress Group, Ltd., a Hong Kong company now known as Heng Fai Enterprises, Ltd. (“Heng Fai”) purchased 5,500,000 shares of the Common Stock of our company representing approximately 68.7% of its issued and outstanding common stock from Yukon Industries, Inc. for \$55,000.00 paid in cash at closing.

As part of Heng Fai’s acquisition of a controlling interest in our company, we have determined to pursue a new strategy and intend to acquire real estate assets in the healthcare industry, which may include the real estate of hospitals, medical centers, nursing facilities and retirement homes. This strategy is conducive to a more favorable tax structure whereby we may qualify and elect to be treated as a real estate investment trust, or REIT, for U.S. federal income tax purposes. In order to qualify as a REIT, a substantial percentage of the company’s assets must be qualifying real estate assets and a substantial percentage of the company’s income must be rental revenue from real property or interest on mortgage loans. We must elect under the U.S. Internal Revenue Code to be treated as a REIT. Subject to a number of significant exceptions, a corporation that qualifies as a REIT generally is not subject to U.S. federal corporate income taxes on income and gain that it distributes to its stockholders, thereby reducing its corporate level taxes. The vast majority of U.S. REITs are incorporated or formed in Maryland and we believe that reincorporating in Maryland will put our company in the best position to raise additional capital and grow our business.

In order to reincorporate in Maryland, we have entered into an Agreement and Plan of Conversion (the “Agreement”) between our company and Global Medical REIT Inc., a Maryland corporation (“Global Medical”) pursuant to which we converted into Global Medical effective as of January 15, 2014 whereby each shareholder of our company exchanged one share of our common stock, \$0.001 par value per share into one share of common stock, \$0.001 par value per share of Global Medical (the “Conversion”).

We are currently on a fiscal year ending August 31. We have defined various periods that are covered in this report as follows:

“fiscal 2013” – September 1, 2012 through August 31, 2013

“fiscal 2012” — March 18, 2011 (inception) through August 31, 2012.

Recent Developments

On June 5, 2014, we completed the purchase of a 56-bed long term acute care hospital facility pursuant to a Purchase and Sale Agreement (the "PSA") with an unrelated party LTAC Landlord, LLC, a Nebraska limited liability company ("LTAC") for a purchase price of \$21,700,000. The hospital is located at 1870 S 75th Street, Omaha, Nebraska (the "Facility") and is operated by Select Specialty Hospital – Omaha, Inc. pursuant to a sublease which expires in 2022, with sublessee options to renew up to 60 years (the "operating lease"). Also, the real property where the Facility and other improvements are located are subject to a land lease with Catholic Health Initiatives, a Colorado nonprofit corporation (the "land lease"). The land lease expires in 2022 with sublessee options to renew up to 60 years. As part of our acquisition of the Facility, we will acquire the operating lease and the land lease and will become bound by the terms and conditions of these leases. Except with respect to specific contingencies, we do not have the right to terminate the Agreement without LTAC's consent.

In order to finance a portion of the purchase price for the Facility, on June 5, 2014 the Company entered into a Term Loan and Security Agreement with Capital One, National Association (the "Lender") to borrow \$15,060,000 (the "Loan"). The Loan bears interest at 4.91% per annum and all unpaid interest and principal is due on June 5, 2017 (the "Maturity Date"). Interest is paid in arrears and payments begin on August 1, 2014, and on the first day of each calendar month thereafter. Principal payments begin on January 1, 2015 and on the first day of each calendar month thereafter based on an amortization schedule with the principal balance due on the Maturity Date.

In addition, Heng Fai, the majority shareholder, loaned the Company approximately \$7.7 million as of May 31, 2014 to assist with acquiring the Facility and pay closing costs as closings occur. The loan is unsecured, due on demand, and bears no interest.

On July 17, 2014, the Company converted \$7,468,142 of the Heng Fai loan to the Company into a Convertible Debenture (the "Convertible Debenture") that bears interest at the rate of 8% per annum and is convertible into shares of the Company's common stock at a conversion price of \$0.03187 per share. Interest is payable monthly and the principal balance is due in full on June 31, 2015. See Part II, Item 5 – Other Information.

Results of Operations

The following comparative analysis on results of operations was based primarily on the comparative financial statements, footnotes and related information for the periods identified below and should be read in conjunction with the financial statements and the notes to those statements that are included elsewhere in this report.

The results discussed below are for the three months ended May 31, 2013 and 2014 and the nine months ended May 31, 2013 and 2014. For comparative purposes, we are comparing the three months ended May 31, 2014 to the three months ended May 31, 2013, as well as the nine months ended May 31, 2014 to the nine months ended May 31, 2013.

Revenues

We had no revenue for the three months and nine months ended May 31, 2014 and May 31, 2013, respectively.

Operating expenses

Operating expenses during the three month period ended May 31, 2014 increased \$373 compared to the same period of fiscal 2013. This increase is primarily attributable to increased professional fees related to our re-domestication efforts and SEC reporting obligations.

Operating expenses during the nine month period ended May 31, 2014 decreased \$9,467 compared to the same period of fiscal 2013. This decrease is primarily attributable to a reduction in professional fees incurred in previous periods leading up to the sale of a controlling interest in the company.

Net Loss

Our net loss during the three month period ended May 31, 2014 increased \$373 compared to the same period of fiscal 2013. This increase is attributable to higher operating expenses discussed above.

Our net loss during the nine month period ended May 31, 2014 decreased \$9,467 compared to the same period of fiscal 2013. This decrease is attributable to lower operating expenses discussed above.

Liquidity and Capital Resources

Liquidity is the ability of an enterprise to generate adequate amounts of cash to meet its needs for cash requirements. As of May 31, 2014 our working capital deficit amounted to \$44,162, an increase of \$28,257 as compared to \$15,905 as of August 31, 2013. The increase is largely due to advances from related parties for working capital. Working Capital deficit included escrows deposits of \$7,775,082 offset by total of the accrued liabilities and the note payable to shareholder of \$7,819,244.

Net cash used in operating activities was \$5,117 during the nine months ended May 31, 2014 compared to \$31,724 in the same period in 2013. The decrease in cash used in operating activities is primarily attributable to a reduction in our net loss and an increase in accrued liabilities.

Net cash used in investing activities during the nine months ended May 31, 2014 was \$7,775,082 compared to \$0 in the same period in 2013. The increase was primarily as a result of escrow deposits for the purchase of properties.

Net cash provided by financing activities during the nine months ended May 31, 2014 was \$7,776,680 compared to \$25,000 in the same period in 2013. The increase was primarily as a result of the advance from Heng Fai to purchase the acute care hospital facility.

Our continued operations and expansion are dependent upon our ability to obtain additional working capital. On June 5, 2014, we obtained a \$15.1 million loan from Capital One which we used to partially finance the \$21.7 million we paid to acquire a 56-bed long term acute care hospital in Omaha, Nebraska. Although Heng Fai, our controlling shareholder may lend us funds or invest in our securities for our working capital needs and we expect to become cash flow positive as a result of that investment, we have not entered into any agreement with Heng Fai or others for any future loans or investments in our company. We plan to seek additional financing to expand our business. No assurances can be given, however, that such financing would be available on a timely basis, on terms that are acceptable or at all. Failure to obtain such additional financing could result in delay or indefinite postponement of our proposed business which would materially adversely affect our business, results of operations and financial condition and threaten our financial viability.

Related Party Transactions

As of May 31, 2014, the Company was indebted to a related company in the amount of \$7,776,680 which is non-interest bearing, unsecured, and due on demand.

Recent Accounting Pronouncements

There are no recent accounting pronouncements that are expected to have an effect on the Company's financial statements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect or change on the Company's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. The term "off-balance sheet arrangement" generally means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with the Company is a party, under which the Company has (i) any obligation arising under a guarantee contract, derivative instrument or variable interest; or (ii) a retained or contingent interest in assets transferred to such entity or similar arrangement that serves as credit, liquidity or market risk support for such assets.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Smaller reporting companies are not required to provide the information required by this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act that are designed to ensure that information required to be disclosed in our reports filed or submitted to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and that information is accumulated and communicated to management, including the principal executive and financial officer as appropriate, to allow timely decisions regarding required disclosures. Our principal executive officer and principal financial officer evaluated the effectiveness of disclosure controls and procedures as of May 31, 2014 pursuant to Rule 13a-15(b) under the Exchange Act. Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to ensure that information required to be included in our periodic SEC filings is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms.

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

Changes in Internal Control over Financial Reporting

No changes were made to our internal control over financial reporting during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, the Company may become involved in litigation relating to claims arising out of its operations in the normal course of business. We are not involved in any pending legal proceeding or litigation and, to the best of our knowledge, no governmental authority is contemplating any proceeding to which we are a party or to which any of our properties is subject, which would reasonably be likely to have a material adverse effect on the Company.

Item 1A. Risk Factors

Smaller reporting companies are not required to provide the information required by this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

See Part II, Item 5 which is incorporated herein by reference.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

On February 5, 2014, Company's board of directors appointed Mr. Fai H. Chan as director to hold office until the next annual meeting of shareholders and until his successor is duly elected and qualified or until his resignation or removal.

Mr. Fai H. Chan is the Managing Chairman of the Heng Fai Enterprises, Ltd. ("Heng Fai"), the Company's majority shareholder. He has been Director of Heng Fai since September 1992. Mr. Fai H. Chan is responsible for the overall business development of Heng Fai. His experience and expertise are in the finance and banking sectors. Since taking over as Managing Chairman, he has grown the net asset value of Heng Fai from HK\$39.2 million in 1992 to approximately HK\$900 million in 2013.

Mr. Fai H. Chan was formerly (i) the Managing Director of SingHaiyi Group Ltd ("SingHaiyi") (<http://singhaiyi.com>), a company listed on the Catalist board of the Singapore Exchange. Under Mr. Chan's leadership, SingHaiyi was transformed from a failed store-fixtured business provider with net asset value of less than S\$10 million into a property trading and investment company and finally to a property development company with latest net asset value over S\$150 million before Mr. Chan ceded controlling interest in late 2012. (ii) the Executive Chairman of China Gas Holdings Limited (<http://www.chinagasholdings.com.hk/siteen/index.html>), a company listed on The Stock Exchange of Hong Kong Limited. Under Mr. Chan's guidance and direction, China Gas was restructured from a failing fashion retail company to one of the largest participants in the investment, operation and management of city gas pipeline infrastructure, distribution of natural gas and LPG to residential, commercial and industrial users in China. The market capitalization of China Gas in the financial year of 2002 of approximately HK\$247 million (share had traded in value of HK\$0.51) increased to present market capitalization in excess of HK\$40 billion (share price of HK\$8.93 as at June 28, 2013); (iii) a director of Global Med Technologies, Inc. (www.globalmedtech.com), a public medical company (OTC: GLOB) which is engaged in the design, develop, marketing and support of information management software products for blood banks, hospitals, centralized transfusion centers and other healthcare related facilities; (iv) a director of Skywest Ltd (www.skywest.com.au), an airline company listed on the Australian Stock Exchange; and (v) the Chairman and Director of

American Pacific Bank, a commercial bank listed on NASDAQ from 1988 to 2005. Mr. Chan had acquired American Pacific Bank, a US full-service commercial bank, out of bankruptcy in 1987. He recapitalized, refocused and grew the bank's operations. Under his guidance it became a high asset quality bank, with zero loan losses for over five consecutive years before it was ultimately acquired and merged into Riverview Bancorp Inc. Prior to its acquisition and merger it was ranked #13 by the Seattle Times' "Annual Northwest's Top 100 Public Companies" and #6 in Oregon state, ahead of names such as Nike, Microsoft, Costco, AT&T Wireless and Amazon.com (<http://amazon.com>).

Mr. Fai H. Chan has restructured over 35 companies in different industries and countries in the past 40 years. In April 2013, Mr. Chan invested in CCM Group Limited ("CCM") (<http://www.ccmgroup.sg>), a company listed on the Singapore Exchange, and was appointed its Non-Executive Director to assist its business and capital restructuring. With Mr. Chan's participation in the capital restructuring, the market capitalization of CCM was increased from approximately S\$8.3 million to S\$25 million within three months. In July 2013, Holista Colltech Ltd ("Holista") (<http://www.holistaco.com>), a bio-technology company listed on the Australian Stock Exchange, announced it had appointed Mr. Chan as its Non-Executive Director, a role which will allow the company to tap his vast business and corporate experience. The appointment follows the subscription of Heng Fai Business Development Pte Ltd, a Singapore-based company controlled by Mr. Chan. Mr. Fai H. Chan is the father of Mr. Tong Wan Chan.

On July 17, 2014, the Company converted \$7,468,142 of the Heng Fai loan to the Company into a Convertible Debenture (the "Convertible Debenture") that bears interest at the rate of 8% per annum and is convertible into shares of the Company's common stock at a conversion price of \$0.03187 per share subject to adjustment as hereinafter set forth. Interest is payable monthly and the principal balance is due in full on June 31, 2015. The conversion price of the Convertible Debentures is subject to proportional adjustment in the event of stock splits, stock dividends and similar corporate events. The issuance of the Convertible Debentures discussed above were exempt from registration under the Securities Act of 1933, as amended, in reliance on Sections 4(a)(2) and 3(a)(9) of that act.

On July 17, 2014, the Company declared a one-time dividend of \$0.000213 per share payable to the holders of its common stock of record as of the close of business on July 31, 2014. Dividends shall be paid no later than the 20th day of the following month subject to compliance with applicable provisions of the Maryland General Corporation Law.

Item 6. Exhibits.

Exhibit No.	Description
3.1	Articles of Incorporation of Global Medical REIT Inc. (incorporated herein by reference to Exhibit 3.1 to the Company's Report on Form 10-Q as filed with the Commission on April 22, 2014).
3.2	Articles of Conversion filed with the Secretary of State of Nevada (incorporated herein by reference to Exhibit 3.2 to the Company's Report on Form 10-Q as filed with the Commission on April 22, 2014).
3.3	Articles of Conversion filed with the Secretary of State of Maryland (incorporated herein by reference to Exhibit 3.3 to the Company's Report on Form 10-Q as filed with the Commission on April 22, 2014).
3.4	Bylaws of Global Medical REIT Inc. (incorporated herein by reference to Exhibit 3.4 to the Company's Report on Form 10-Q as filed with the Commission on April 22, 2014).
4.1*	Debt Conversion Agreement and Convertible Debenture dated July 17, 2014 between Global Medical REIT, Inc. and Heng Fai Enterprises Limited.
10.1	Purchase Agreement between Global Medical REIT Inc. and LTAC Landlord, LLC dated April 11, 2014 (incorporated herein by reference to Exhibit 10.1 to the Company's Report on Form 8-K as filed with the Commission on April 18, 2014).
10.2	Term Loan and Security Agreement with Capital One, National Association, dated June 5, 2014 (incorporated herein by reference to Exhibit 10.1 to the Company's Report on Form 8-K as filed with the Commission on June 12, 2014).
31.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial and Accounting Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer and Principal Financial Officer, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS **	XBRL Instance Document
101.SCH **	XBRL Taxonomy Schema
101.CAL **	XBRL Taxonomy Calculation Linkbase
101.DEF **	XBRL Taxonomy Definition Linkbase
101.LAB **	XBRL Taxonomy Label Linkbase
101.PRE **	XBRL Taxonomy Presentation Linkbase

* Filed herewith

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of this Annual Report on Form 10-K for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

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

Global Medical REIT Inc.

Dated: July 21, 2014

By: /s/ David Young
David Young
Chief Executive Officer (Principal Executive Officer)

Dated: July 21, 2014

By: /s/ Conn Flanigan
Conn Flanigan
Chief Financial Officer
(Principal Financial and Accounting Officer)

**Certification of Principal Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant To Section 302 of
The Sarbanes-Oxley Act of 2002**

I, David Young, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended May 31, 2014 of Global Medical REIT Inc. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls.

Dated: July 21, 2014 /s/ David Young

David Young, Chief Executive
Officer
(Principal Executive Officer)

**Certification of Principal Financial Accounting Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant To Section 302 of
The Sarbanes-Oxley Act of 2002**

I, Conn Flanigan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended May 31, 2014 of Global Medical REIT Inc. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls.

Dated: July 21, 2014 /s/ Conn Flanigan

Conn Flanigan, Chief Financial Officer
(Principal Financial and Accounting
Officer)

**Certification of Principal Executive Officer and Principal Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant To Section 906 of
The Sarbanes-Oxley Act of 2002**

In connection with the quarterly report on Form 10-Q of Global Medical REIT Inc. (the “Company”) for the quarterly period ended May 31, 2014 as filed with the Securities and Exchange Commission (the “Report”), I, David Young, Chief Executive Officer and I, Conn Flanigan, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, to the best of our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 21, 2014 /s/ David Young

David Young, Chief Executive
Officer
(Principal Executive Officer)

Dated: July 21, 2014 /s/ Conn Flanigan
Conn Flanigan, Chief Financial Officer
(Principal Financial and Accounting
Officer)

This certification accompanies this Quarterly Report on Form 10-Q pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.