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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

Please refer to the attached Form 10-KT filed by Global Medical REIT, Inc., a subsidiary company of the Company whose shares are traded on the Over-The-Counter 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 March, 2015

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. and Mr. Fong Kwok Jen and the independent non-executive Directors are Mr. Wong Tat Keung, Mr. Wong Dor Luk, Peter and Mr. Chan King Fai.

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

FORM 10-K

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

Or

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

For the transition period from **September 1, 2014 to December 31, 2014**

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>4800 Montgomery Lane #450, Bethesda, MD</u> (Address of principal executive offices)	<u>20814</u> (Zip Code)

Registrant's telephone number, including area code: 202-524-6851

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 (or for such shorter period that the registrant was required to file such reports), 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 Web site, 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 (check one).

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(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 Act). Yes [] No [X]

As of the last business day of the registrant's most recently completed third fiscal quarter, there was no active public trading market for the registrant's common stock.

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold as of the last business day of the registrant's most recently completed second fiscal quarter: \$0 on February 28, 2014.

As of March 20, 2015 there were 250,000 shares the registrant's common stock, par value of \$0.001 per share outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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EXPLANATORY NOTE REGARDING THE TRANSITION PERIOD

We changed our fiscal year from August 31 to the calendar twelve months ending December 31, effective beginning with the year ended December 31, 2014. As a result our current fiscal period was shortened from twelve months to a four-month transition period that ended on December 31, 2014. In connection with our change in reporting period we reported our first quarter results as the three months ended November 30, 2014, under our previous fiscal reporting timing. Our change in fiscal year is required based upon our intention to qualify and be taxed as a real estate investment trust (“REIT”) for federal income tax purposes.

When our financial results for the transition period in 2014 are compared to our financial results for the transition period in 2013 the results compare the four-month period from September 1, 2014 through December 31, 2014 to the financial results for the four-month period from September 1, 2013 through December 31, 2013. The results for the four-month transition period ended December 31, 2013 are unaudited.

When financial results for our fiscal year ended August 31, 2014 are compared to financial results for our fiscal year ended August 31, 2013 the results compare our previously audited fiscal years, which were the twelve months ended August 31, 2014 and August 31, 2013, respectively.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This Transition Report on Form 10-K (this “Report”) contains “forward-looking statements”. 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., unless otherwise indicated.

“Heng Fai” refers to Heng Fai Enterprises, Ltd., a Hong Kong company which owns or controls HFE USA, LLC, our majority shareholder.

“HFE USA, LLC” refers to HFE USA, LLC, a Delaware limited liability company owned by Heng Fai. HFE USA, LLC is our majority shareholder.

“Inter-American Management” refers to Inter-American Management, LLC, a Delaware limited liability company owned or controlled by an affiliate of HFE USA, LLC, our majority shareholder.

“SEC” refers to the United States Securities and Exchange Commission.

“Common stock” refers to the common shares in our capital stock.

Our financial statements are stated in United States dollars (US \$) and are prepared in accordance with United States generally accepted accounting principles.

PART I

ITEM 1. BUSINESS

Organization

Global Medical REIT Inc. (the “Company”) was incorporated in the state of Nevada on March 18, 2011 under the name Scoop Media, Inc. (“Scoop Media”), which was acquired by the Hong Kong company known as Heng Fai Enterprises, Ltd. (“Heng Fai”) in 2013. The Company changed to its current name effective January 6, 2014 in connection with its re-domestication into a Maryland corporation and as discussed below its plans to develop and manage a portfolio of real estate assets in the healthcare industry, which may include the real estate of hospitals, medical centers, nursing facilities and retirement homes.

In order to reincorporate in Maryland, we entered into an Agreement and Plan of Conversion with Scoop Media pursuant to which Scoop Media was converted into our Company effective as of January 15, 2014 whereby we exchanged one share of common stock of Scoop Media, \$0.001 par value per share, into one share of common stock, \$0.001 par value per share, of our Company.

Heng Fai owns HFE USA, LLC, our majority shareholder. As of December 31, 2014, HFE USA, LLC owns an aggregate of 248,825 (or 99.5%) of our outstanding common stock.

Business Strategy

Our primary investor goal is to provide attractive risk-adjusted returns and maximize sustainable distributable cash flow. Our principal investment strategy is to act on the opportunities created by the changing healthcare environment by acquiring, selectively developing and managing locally critical medical properties that are core to medical operator businesses and that meet our investment criteria. In general, we seek to acquire or develop specialty medical properties in desirable markets with tenants who are expected to prosper in the changing healthcare delivery environment. We focus on specialty medical properties, including medical office buildings, outpatient treatment and diagnostic facilities, physical group practice clinics, ambulatory surgery centers and specialty hospitals and treatment centers.

We are focused on owning, operating, and developing and managing specialty medical properties located initially throughout the United States and in future internationally. Medical properties in which we seek to invest include (but are not limited to):

- *Single tenant medical practice buildings.* Medical office, treatment and clinic facilities, often located near hospitals or on hospital campuses, specifically constructed and designed for the use of physicians and other health care personnel to provide services to their patients. The portfolio buildings we are targeting typically contain solo and group physician practices and may hold diagnostic and other patient services, including outpatient therapies for cancer treatment, dialysis, surgery and radiology among others.
- *Ambulatory Surgery Centers.* Ambulatory surgery centers are used for general or specialty surgical procedures not requiring an overnight stay in a hospital. In addition to surgery facilities, ambulatory surgery centers may include a central business office and/or physician clinic space.
- *Outpatient Treatment and Diagnostic Facilities.* Outpatient treatment and diagnostic facilities provide treatments and care sometimes provided in physician offices or clinics, such as gastrointestinal endoscopy care, oncology treatments (medical and radiological), kidney dialysis and other similar services.
- *Acute care Hospitals.* General and various specialty hospitals focused on and specialized in providing care for many medical conditions and performing wide ranging procedures, such as cardiovascular and orthopedic surgery.

Specialty hospitals may include long-term acute care hospitals that provide care for patients requiring extended hospital stays and specialized critical care and observation more efficiently and economically than short term general acute care hospitals.

For details about our property portfolio as of December 31, 2014 refer to Item 2 – “Properties,” herein.

Our unique mission as an international medical equity real estate investment trust (“REIT” – refer to the “Qualification as a REIT” section herein for additional information) is to selectively sponsor and underwrite ownership of leading medical provider’s core real estate assets worldwide. We intend to serve only the best healthcare operators in prominent regional and community locations throughout selected emerging international markets. Initial focus for our portfolio is within the United States and Asian growth markets.

Our understanding of contemporary clinical and business models empowers our dedicated focus: to support continuous delivery of necessary quality care to widespread communities while delivering to our fund investors unparalleled portfolio asset quality and steady dividends.

Internal Growth Strategy

We seek to achieve our business objectives internally through:

- *Entering into long-term leases with annual contractual rent increases.* We expect to generate internal growth in cash flow through leases that contain provisions for fixed contractual rental increases or increases that are tied to indices such as the Consumer Price Index.
- *Use of net-lease structures.* We seek to enter long-term leases primarily under net lease structures, where the tenant agrees to pay monthly rent and property operating expenses (taxes, maintenance and insurance) plus, typically, future rent increases based on stated percentage increases or increases in the Consumer Price Index. We believe that long-term leases, coupled with a tenant's responsibility for property expenses, will produce a more predictable income stream, while continuing to offer the potential for growth in rental income.

Financing Strategy

We plan to build our capital structure with a balanced approach that maximizes flexibility. We will seek to:

- Achieve opportunistic and reasonable debt service ratios;
- Balance debt in a fashion that enhances our ability to access capital markets;
- Establish a secured revolving credit facility to finance acquisitions in concert with other debt instruments, which depending on appropriateness and availability, include, the assumption of mortgage loans and the placement of "stand-alone" non-recourse debt secured by the property;
- Access capital internationally so as to avoid market cycle shortages of capital and enhance acquisition expediency.

Qualification as a REIT

Our business strategy is conducive to a more favorable tax structure whereby we may qualify and elect to be treated as a REIT for U.S. federal income tax purposes. We plan to elect to be taxed as REIT under U.S. federal income tax laws commencing with our contemplated taxable year ending December 31, 2015. We believe that, commencing with 2015, we will have been organized and have operated in such a manner as to qualify for taxation as a REIT under all of the federal income tax laws, and we intend to continue to operate in such a manner. We, however, cannot provide assurances that we will operate in a manner so as to qualify or remain qualified as a REIT.

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 (the "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.

Competition

We compete for development and acquisition opportunities with, among others, private investors, healthcare providers, (including physicians), healthcare-related REITs, real estate partnerships, financial institutions and local developers. Many of these competitors have substantially greater financial and other resources than we have and may have better relationships with lenders and sellers. Increased competition for medical properties from competitors, including other REITs, may adversely affect our ability to acquire specialty medical properties and the price we pay for properties. Our properties face competition from other nearby facilities that provide services comparable to those offered at our facilities. Some of those facilities are owned by governmental agencies and supported by tax revenue, and others are owned by nonprofit corporations and may be supported to a large extent by endowments and charitable contributions. Those types of support are not available to our facilities. In addition, competing healthcare facilities located in the areas served by our facilities may provide health services that are not available at our facilities.

Government Regulation

The healthcare industry is heavily regulated by federal, state and local laws. These laws and regulations are subject to frequent and substantial changes resulting from legislation, adoption of rules and regulations, and administrative and judicial interpretations of existing law. These changes may have a dramatic effect on the definition of permissible or impermissible activities, the relative costs associated with doing business and the amount of reimbursement by government and other third-party payors. These changes may be applied retroactively. The ultimate timing or effect of these changes cannot be predicted. The failure of our tenant to comply with such laws, regulations and requirements could affect our ability to operate our facility or facilities and could adversely affect our tenant's ability to make lease payments to us.

Sarbanes Oxley Compliance

We will organize, operate, report and position ourselves to remain in compliance with the Sarbanes Oxley rules.

Fraud and Abuse Laws

Various federal and state laws prohibit fraud and abusive business practices by healthcare providers who participate in, receive payments from or are in a position to make referrals in connection with a government-sponsored healthcare program, including, but not limited to, the Medicare and Medicaid programs. These include:

- *The Federal Anti-Kickback Statute*, which prohibits, among other things, the offer, payment, solicitation or receipt of any form of remuneration in return for, or to induce, the referral of Medicare and Medicaid patients;
- *The Federal Physician Self-Referral Prohibition (Stark)*, which restricts physicians from making referrals for certain designated health services for which payment may be made under Medicare or Medicaid programs to an entity with which the physician, or an immediate family member, has a financial relationship;
- *The False Claims Act*, which prohibits any person from knowingly presenting false or fraudulent claims for payment to the federal government, including under the Medicare and Medicaid programs; and
- *The Civil Monetary Penalties Law*, which authorizes the Department of Health and Human Services to impose monetary penalties for certain fraudulent acts.

Each of these laws include criminal and/or civil penalties for violations that range from punitive sanctions, damage assessments, penalties, imprisonment, denial of Medicare and Medicaid payments, and/or exclusion from the Medicare and Medicaid programs. Imposition of any of these types of penalties on our tenants could result in a material adverse effect on their operations, which could adversely affect our business. Additionally, certain laws, such as the False Claims Act, allow for individuals to bring *qui tam* (whistleblower) actions on behalf of the government for violations of fraud and abuse laws.

Environmental Matters

A wide variety of federal, state and local environmental and occupational health and safety laws and regulations affect healthcare facility operations of special medical properties. Under various federal, state and local environmental laws, ordinances and regulations, an owner of real property or a secured lender (like us) may be liable for the costs of removal or remediation of hazardous or toxic substances at, under or disposed of in connection with such property, as well as other potential costs relating to hazardous or toxic substances (including government fines and damages for injuries to persons and adjacent property). The cost of any required remediation, removal, fines or personal or property damages and the owner's or secured lender's liability therefore could exceed the value of the property, and/or the assets of the owner or secured lender. In addition, the presence of such substances, or the failure to properly dispose of or remediate such substances, may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral which, in turn, would reduce our revenue. Although the leases covering our properties require the tenant to indemnify us for certain environmental liabilities, the scope of such obligations may be limited and we cannot assure that any such tenant would be able to fulfill our indemnification obligations.

Medicare and Medicaid Programs

Sources of revenue for our current and prospective tenants which we refer to generally as "tenants" may include the federal Medicare program, state Medicaid programs, private insurance carriers, healthcare service plans and health maintenance organizations, among others. Efforts to reduce costs by these payors will likely continue, which may result in reduced or slower growth in reimbursement for certain services provided by some tenants. In addition, the failure of any of our tenant to comply with various laws and regulations could jeopardize its certification and ability to continue to participate in the Medicare and Medicaid programs. Medicaid programs differ from state to state but they are all subject to federally-imposed requirements. At least 50% of the funds available under these programs are provided by the federal government under a matching program. Medicaid programs generally pay for acute and rehabilitative care based on reasonable costs at fixed rates. Medicaid payments are generally below private-pay rates. Increasingly, states have introduced managed care contracting techniques into the administration of Medicaid programs. Such mechanisms could have the impact of reducing utilization of and reimbursement to facilities. Other third-party payors in various states base payments on costs, retail rates or, increasingly, negotiated rates. Negotiated rates can include discounts from normal charges, fixed daily rates and prepaid capitated rates.

Healthcare Facilities

The healthcare facility in our portfolio is subject to extensive federal, state and local licensure, certification and inspection laws and regulations. Our tenants' failure to comply with any of these laws could result in loss of accreditation, denial of reimbursement, imposition of fines, suspension or decertification from federal and state healthcare programs, loss of license or closure of the facility.

Such actions may have an effect on our tenants' ability to make lease payments to us and, therefore, adversely impact us.

Recent Regulatory Developments

The healthcare industry continues to face various challenges, including increased government and private payor pressure on healthcare providers to control costs, the migration of patients from acute care facilities into extended care and home care settings, and the vertical and horizontal consolidation of healthcare providers.

Changes in the law, new interpretations of existing laws, and changes in payment methodologies may have a dramatic effect on the definition of permissible or impermissible activities, the relative costs associated with doing business and the amount of reimbursement furnished by government and other third-party payors. These changes may be applied retroactively under certain circumstances. The ultimate timing or effect of legislative efforts cannot be predicted and may impact us in different ways.

In 2010, the U.S. Congress passed the Affordable Care Act (the "ACA") which affects the ability of medical practitioners to own hospital operations. It also establishes guidelines permitting replacement of existing hospital operations and facilities for physician owned facilities that are grandfathered under the law. The law does not restrict physician ownership of management company interests or real estate, however. We are sensitive to the parameters of the law and will avoid entering into any binding arrangement with tenants or operators that is not permitted under the ACA.

On February 1, 2006, Congress passed the Deficit Reduction Act of 2005, which, in Section 5006, included a statutory prohibition on Centers for Medicare and Medicaid Services' ("CMS") enrollment of new specialty hospitals into the Medicare program. The prohibition is intended to remain in place for several year, during which time the Department of Health and Human Services ("HHS") was instructed to prepare a report for Congress addressing physician investment in specialty hospitals, and specifically whether physician investment is proportional, physician investment constitutes a bona fide investment, whether there should be annual disclosure of investment information, as well as the provision of care by specialty hospitals to Medicaid and charity care patients, and enforcement. It is unclear what additional and new legislative and regulatory changes may result from this continued moratorium or what impact they may have on our current or future tenants.

In addition to the reforms enacted and considered by Congress from time to time, state legislatures periodically consider various healthcare reform proposals. Congress and state legislatures can be expected to continue to review and assess alternative healthcare delivery systems, new regulatory enforcement initiatives, and new payment methodologies.

We believe that government and private efforts to contain or reduce healthcare costs will continue. These trends are likely to lead to reduced or slower growth in reimbursement for certain services provided by our tenants and could adversely affect their ability to make lease payments to us.

Healthcare Industry

Healthcare is the single largest industry in the United States based on Gross Domestic Product ("GDP"). According to the National Health Expenditures Projections, 2012 - 2022 report by the CMS: (i) national health expenditures are projected to grow 6.1% in 2014 and 5.8% in 2015; (ii) the average compounded annual growth rate for national health expenditures, over the projection period of 2015 through 2022, is anticipated to be 6.2%; and (iii) the healthcare industry is projected to represent 18.3% of U.S. GDP in 2014. This growth in expenditures has led to significant growth in healthcare employment. According to the U.S. Department of Labor's Bureau of Labor Statistics, the healthcare industry was the largest industry in the United States in 2010 providing nearly 14 million jobs. While total U.S. employment dropped by over 2% between 2000 and 2010, healthcare employment grew by more than 25% during the same period. The Bureau of Labor Statistics estimates that healthcare sector employment is projected to grow from over 14 million jobs in 2010 to nearly 18.3 million jobs in 2020, an increase of 30%, compared to only 13% growth for jobs in all other employment sectors. Of the approximately 4.3 million new healthcare jobs expected between 2010 and 2020, 63% are projected to arise in ambulatory settings (offices of health practitioners, home health, and other non-institutional settings) with office employment projected to increase by nearly 1.4 million jobs and hospital employment projected to increase by over 940,000 jobs between 2010 and 2020. We believe the continued growth in employment in the healthcare industry, and in particular the ambulatory sector, will lead to growth in demand for medical office buildings and other facilities that serve the healthcare industry.

In addition to the growth in national health expenditures and corresponding increases in employment in the healthcare sector, the nature of healthcare delivery continues to evolve due to the impact of government programs, regulatory changes and consumer preferences. We believe these changes have increased the need for capital among healthcare providers and increased incentives on these providers to develop more efficient real estate solutions in order to enhance the delivery of quality healthcare. In particular, we believe the following factors and trends are creating an attractive environment in which to invest in healthcare properties.

Demographics

The aging of the U.S. population has a direct effect on the demand for healthcare as older persons generally utilize healthcare services at a rate well in excess of younger people. According to CMS, on a per capita basis, the 75-year and older segment of the population spends 76% more on healthcare than the 65 to 74-year-old segment and over 200% more than the population average.

We believe that this aging of the population, improved chronic disease management, technological advances and healthcare reform will positively affect the demand for medical office buildings and seniors housing communities and other healthcare-related facilities and generate attractive investment opportunities. The first wave of Baby Boomers, the largest segment of the U.S. population, began turning 65 in 2011. According to U.S. Census Bureau figures, the U.S. population aged 65 and older is expected to double over the next 25 years. Patients with diseases that were once life threatening are now being treated with specialized medical care and an arsenal of new pharmaceuticals. Advances in research, diagnostics, surgical procedures, pharmaceuticals and a focus on healthier lifestyles have led to people living longer. Finally, we believe that with the arrival of healthcare reform in the United States, we will experience a significant increase in the demand for medical services.

Employees

As of March 20, 2015 we had no employees. The Company is externally managed by Inter-American Management, LLC, (the “Manager”) which is an entity owned or controlled by an affiliate of HFE USA, LLC. The Manager provides the services of the officers and other management personnel of the Company.

ITEM 1A. RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item within this transitional report. For a listing of our risk factors refer to our Annual Report on Form 10-K that was filed for the fiscal year ended August 31, 2014.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our business office is located at 4800 Montgomery Lane, Suite 450, Bethesda MD, 20814. The office space is allocated to us from the Manager at prevailing rental rates and terms.

On June 5, 2014, the Company completed the acquisition of a 56-bed long term acute care hospital located at 1870 S 75th Street, Omaha, Nebraska for approximately \$21.7 million (approximately \$21.9 million after including legal fees). The Omaha facility is operated by Select Specialty Hospital – Omaha, Inc. pursuant to a sublease which expires in 2023, with sub lessee options to renew up to 60 years (the “operating lease”). The real property where the Omaha 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 initially was to expire in 2023 with sub lessee options to renew up to 60 years. However, as of December 31, 2014, the Company exercised two five-year lease renewal options and therefore the land lease currently expires in 2033, subject to future renewal options by the Company. In connection with the acquisition of the Omaha facility in June 2014, the Company borrowed \$15.06 million from Capital One, National Association.

On September 19, 2014, the Company acquired an approximately 8,840 square foot medical office building known as the Orthopedic Surgery Center, located in Asheville, North Carolina for approximately \$2.5 million. The Asheville facility is subject to an operating lease which expires in 2017, with lease options to renew up to five years. The property is owned fee simple. In connection with the acquisition of the Asheville facility, the Company borrowed \$1.7 million from the Bank of North Carolina and funded the remainder of the purchase price with the proceeds from a convertible debenture (the “Convertible Debenture”) it issued to HFE USA, LLC in the principal amount of \$910,000 and with the Company’s existing cash. Interest on the borrowings from the Bank of North Carolina is fixed at 4.75% for the term of the loan, which is due in full, including all accrued and unpaid interest on February 15, 2017. The Convertible Debenture bears interest at 8.0% per annum, payable monthly in arrears, and all unpaid interest and principal is due on September 9, 2015.

ITEM 3. LEGAL PROCEEDINGS

We are currently not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries’ officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is quoted on the OTC Pink tier of the OTC Markets, Inc. under the symbol "GMRE." Trading of our common stock has been limited and sporadic and there can be no assurance that a liquid market for our common stock will ever develop.

As of March 20, 2015, there were approximately 35 record holders, an unknown number of additional holders whose stock is held in "street name" and 250,000 shares of common stock issued and outstanding.

On December 10, 2013, in connection with Heng Fai's acquisition of Scoop Media, Heng Fai purchased 6,250 common shares of Scoop Media from various parties for \$25,000.

On July 17, 2014, HFE USA, LLC converted \$2,932,040 of the principal and accrued interest under the Convertible Debenture into 230,000 shares of our unregistered common stock.

Effective November 7, 2014, the Company amended its articles of incorporation to increase the number of authorized shares of common stock, \$0.001 par value (the "common stock"), from 100,000,000 to 500,000,000 and effected a reverse stock split of the outstanding shares of its common stock at the ratio of 1-for-400 (the "Reverse Stock Split"). As of December 31, 2014 and August 31, 2014, there were 250,000 outstanding common shares. All references to shares of the Company's common stock in this transitional report on Form 10-KT refers to the number of shares of common stock after giving effect to the Reverse Stock Split (unless otherwise indicated).

During the twelve months ended August 31, 2014 the Company paid total dividends to holders of its common stock of \$42,620.

On September 19, 2014, the Company declared a dividend of \$0.0852 per share payable to the holders of its common stock of record at the close of business September 29, 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. The aggregate amount of the dividend was \$21,300.

On October 18, 2014, the Company declared a dividend of \$0.0852 per share payable to the holders of its common stock of record at the close of business October 30, 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. The aggregate amount of the dividend was \$21,300.

On November 21, 2014, the Company declared a dividend of \$0.0852 per share payable to the holders of its common stock of record at the close of business December 2, 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. The aggregate amount of the dividend was \$21,300.

On December 18, 2014, the Company declared a dividend of \$0.0852 per share payable to the holders of its common stock of record at the close of business December 30, 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. The aggregate amount of the dividend was \$21,300.

During the four months ended December 31, 2014 the Company paid total dividends to holders of its common stock of \$85,200.

Unregistered Sale of Securities

In September 2014, the Company issued to HFE USA, LLC a \$910,000 principal amount 8.0% convertible debenture (the "Convertible Debenture") due on September 9, 2015. The Convertible Debenture may be converted in whole or in part shares of common stock in an amount equal to the principal amount of the note, together with accrued but unpaid interest, divided by \$12.748.

The Convertible Debenture was issued in reliance upon the exemption from securities registration afforded by the provisions of Section 4(a)(2) of the Securities Act of 1933, as amended.

ITEM 6. SELECTED FINANCIAL DATA

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our financial statements, including the notes to those statements, included elsewhere in this report, and the Section entitled "Cautionary Statement Regarding Forward-Looking Statements" in this report. As discussed in more detail in the Section entitled "Cautionary Statement Regarding Forward-Looking Statements," this discussion contains forward-looking statements which involve risks and uncertainties. Our actual results may differ materially from the results discussed in the forward-looking statements.

Transition Period

We changed our fiscal year from August 31 to the calendar twelve months ending December 31, effective beginning with the year ended December 31, 2014. As a result our current fiscal period was shortened from twelve months to a four-month transition period that ended on December 31, 2014. In connection with our change in reporting period we reported our first quarter results as the three months ended November 30, 2014, under our previous fiscal reporting timing. This change in fiscal year is required based upon our intention to qualify and be taxed as a real estate investment trust ("REIT") for federal income tax purposes.

Overview

Global Medical REIT Inc. (the "Company") was incorporated in the state of Nevada on March 18, 2011 under the name Scoop Media, Inc. ("Scoop Media"), which was acquired by the Hong Kong company known as Heng Fai Enterprises, Ltd. ("Heng Fai") in 2013. The Company changed to its current name effective January 6, 2014 in connection with its re-domestication into a Maryland corporation and as discussed below its plans to develop and manage a portfolio of real estate assets in the healthcare industry, which may include the real estate of hospitals, medical centers, nursing facilities and retirement homes.

In order to reincorporate in Maryland, we entered into an Agreement and Plan of Conversion with Scoop Media pursuant to which Scoop Media was converted into our Company effective as of January 15, 2014 whereby we exchanged one share of common stock of Scoop Media, \$0.001 par value per share, into one share of common stock, \$0.001 par value per share, of our Company.

Heng Fai owns HFE USA, LLC, our majority shareholder. As of December 31, 2014, HFE USA, LLC owns an aggregate of 248,825 (or 99.5%) of our outstanding common stock.

Our primary investor goal is to provide attractive risk-adjusted returns and maximize sustainable distributable cash flow. Our principal investment strategy is to act on the opportunities created by the changing healthcare environment by acquiring, selectively developing and managing locally critical medical properties that are core to medical operator businesses and that meet our investment criteria. In general, we seek to acquire or develop specialty medical properties in desirable markets with tenants who are expected to prosper in the changing healthcare delivery environment. We focus on specialty medical properties, including medical office buildings, outpatient treatment and diagnostic facilities, physical group practice clinics, ambulatory surgery centers and specialty hospitals and treatment centers.

Recent Developments

On September 19, 2014, we acquired an approximately 8,840 square foot medical office building known as the Orthopedic Surgery Center, located in Asheville, North Carolina for approximately \$2.5 million. The Asheville facility is subject to an operating lease which expires in 2017, with lease options to renew up to five years. The property is owned fee simple. In connection with the acquisition of the Asheville facility, the Company borrowed \$1.7 million from the Bank of North Carolina and funded the remainder of the purchase price with the proceeds from a convertible debenture (the "Convertible Debenture") it issued to HFE USA, LLC in the principal amount of \$910,000 and with the Company's existing cash. Interest on the borrowings from the Bank of North Carolina is fixed at 4.75% for the term of the loan, which is due in full, including all accrued and unpaid interest on February 15, 2017. The Convertible Debenture bears interest at 8.0% per annum, payable monthly in arrears, and all unpaid interest and principal is due on September 9, 2015.

On October 1, 2014, the board of directors appointed David Young, Tong Wan Chan, and Jeffrey Busch as directors. On the same day, the Board also appointed Donald McClure as the Chief Financial Officer.

Management Agreement

On November 10, 2014, we entered into a Management Agreement, with an effective date of April 1, 2014, with Inter-American Management, LLC (the “Manager”), our affiliate. Under the terms of the Management Agreement, the Manager is responsible for designing and implementing our business strategy and administering our business activities and day-to-day operations. For performing these services, we will pay the Manager 8% of rental revenue for property management services and a base management fee equal to the greater of (a) 2.0% per annum of our net asset value (the value of our assets less the value of our liabilities), or (b) \$30,000 per calendar month. For the four months ended December 31, 2014 and the twelve months ended August 31, 2014, management fees of \$120,000 and \$150,000, respectively (since April 1, 2014), were incurred and expensed by us, due to the Manager, and remain unpaid as of December 31, 2014 and August 31, 2014. Additionally, during the four months ended December 31, 2014 and the twelve months ended August 31, 2014, we expensed \$48,400 and \$434,200, respectively, that was paid to the Manager related to the acquisition of the Asheville facility in September 2014 and the Omaha facility in June 2014, respectively. This expense is included in the “General and Administrative Expense” line item in the accompanying Statements of Operations.

Reverse Stock Split

Effective November 7, 2014, the Company amended its articles of incorporation to increase the number of authorized shares of common stock, \$0.001 par value (the “common stock”), from 100,000,000 to 500,000,000 and effected a reverse stock split of the outstanding shares of its common stock at the ratio of 1-for-400 (the “Reverse Stock Split”). All references to shares of the Company’s common stock in this transitional report on Form 10-KT refer to the number of shares of common stock after giving effect to the Reverse Stock Split (unless otherwise indicated).

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires our management to use judgment in the application of accounting policies, including making estimates and assumptions. We base estimates on the best information available to us at the time, our experience and on various other assumptions believed to be reasonable under the circumstances. These estimates affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions or other matters had been different, it is possible that different accounting would have been applied, resulting in a different presentation of our financial statements. From time to time, we re-evaluate our estimates and assumptions. In the event estimates or assumptions prove to be different from actual results, adjustments are made in subsequent periods to reflect more current estimates and assumptions about matters that are inherently uncertain. For a more detailed discussion of our significant accounting policies, see Note 2 – “Summary of Significant Accounting Policies” in the footnotes to the accompanying financial statements. Below is a discussion of accounting policies that we consider critical in that they may require complex judgment in their application or require estimates about matters that are inherently uncertain.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported in the Company’s financial statements and accompanying notes. Actual results could differ from those estimates.

Purchase of Real Estate

Transactions in which real estate assets are purchased that are not subject to an existing significant lease or are attached or related to a major healthcare provider are treated as asset acquisitions, and as such are recorded at their purchase price, including acquisition fees, which is allocated to land and building based upon their relative fair values at the date of acquisition. Investment properties that are acquired either subject to a significant existing lease or as part of a portfolio level transaction with significant leasing activity are treated as a business combination under Accounting Standards Codification (“ASC”) Topic 805, “Business Combinations,” which requires the purchase price of acquired properties be allocated to the acquired tangible assets and liabilities, consisting of land, building, and any identified intangible assets. Acquisition fees are expensed as incurred. Fair value is determined based on ASC Topic 820, “Fair Value Measurements and Disclosures,” primarily based on unobservable data inputs. In making estimates of fair values for purposes of allocating the purchase price of individually acquired properties, the Company utilizes its own market knowledge and published market data. In this regard, the Company also utilizes information obtained from county tax assessment records to assist in the determination of the fair value of the land and building. The Company utilizes market comparable transactions such as price per square foot to assist in the determination of fair value for purposes of allocating the purchase price of properties acquired as part of portfolio level transactions. The value of acquired leases, if applicable, is estimated based upon the costs we would have incurred to lease the property under similar terms.

Impairment of Long Lived assets

The Company evaluates its real estate assets for impairment periodically or whenever events or circumstances indicate that its carrying amount may not be recoverable. If an impairment indicator exists, the Company compares the expected future undiscounted cash flows against the carrying amount of an asset. If the sum of the estimated undiscounted cash flows is less than the carrying amount of the asset, the Company records an impairment loss for the difference between the estimated fair value and the carrying amount of the asset.

Revenue Recognition

The Company's operations currently consist of rental revenue earned from two tenants under leasing arrangements which provide for minimum rent, escalations, and charges to the tenant for the real estate taxes and operating expenses. The leases have been accounted for as operating leases. For operating leases with minimum scheduled rent increases, the Company recognizes income on a straight-line basis over the lease term when collectability is reasonably assured. Recognizing rental income on a straight-line basis for leases results in recognized revenue amounts which differ from those that are contractually due from tenants. If the Company determines that collectability of straight-line rents is not reasonably assured, future revenue recognition is limited to amounts contractually owed and paid, and, when appropriate, an allowance for estimated losses is established.

The Company consistently assesses the need for an allowance for doubtful accounts, including an allowance for operating lease straight-line rent receivables, for estimated losses resulting from tenant defaults, or the inability of tenants to make contractual rent and tenant recovery payments. The Company also monitors the liquidity and creditworthiness of its tenants and operators on a continuous basis. This evaluation considers industry and economic conditions, property performance, credit enhancements and other factors. For operating lease straight-line rent amounts, the Company's assessment is based on amounts estimated to be recoverable over the term of the lease. As of December 31, 2014 and August 31, 2014 an allowance was not recorded as it was not deemed necessary.

Fair Value of Financial Instruments

Fair value is a market-based measurement and should be determined based on the assumptions that market participants would use in pricing an asset or liability. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

- Level 1- Inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets;
- Level 2- Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument; and
- Level 3- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company considers the carrying values of cash and cash equivalents, accounts and other receivables, escrow deposits, accounts payable, and accrued liabilities to approximate their fair value due to the short period of time since origination or the short period of time between origination of the instruments and their expected realization. Due to the short-term nature of these instruments, Level 1 and Level 2 inputs are utilized to estimate the fair value of these financial instruments. The fair value of amounts due to or from related parties are deemed undeterminable due to their nature.

Results of Operations

We changed our fiscal year from August 31 to the calendar twelve months ending December 31, effective beginning with the year ended December 31, 2014.

The results discussed below are for the four-month period from September 1, 2014 through December 31, 2014 and for the twelve month period ended August 31, 2014. Except where otherwise noted, our results of continuing operations for these periods are primarily comprised of income derived from our two medical office buildings, one of which was acquired on June 5, 2014 and the other was acquired on September 19, 2014 and from acquisition related expenses derived from such purchases, as well as general and administrative expenses. Financial results prior to August 31, 2013, see Note 10 – "Discontinued Operations," are excluded from the following discussion. As a result of these factors, we do not believe that a comparison between periods and a variance explanation related to data in our balance sheets, statements of operations and statements of cash flow would be meaningful to users.

Revenues

Total revenues for the four months ended December 31, 2014 were \$596,656, which primarily consisted of \$596,585 in rental revenue derived from the base rental receipts from our Omaha and Asheville facilities that were acquired in June 2014 and September 2014, respectively.

Total revenues for the twelve months ended August 31, 2014 were \$380,405, which primarily consisted of \$379,678 in rental revenue derived from the base rental receipts from our Omaha facility.

Management Fees

Management fees for the four months ended December 31, 2014 were \$120,000 as provided for in the Management Agreement.

Management fees for the twelve months ended August 31, 2014 were \$150,000 as provided for in the Management Agreement which became effective as of April 1, 2014.

General and Administrative

General and administrative expenses for the four months ended December 31, 2014 were \$231,330. This amount included \$48,400 related to acquisition costs that were expensed in connection with the acquisition of the Asheville facility. The remainder of this category in the 2014 period included land lease expense from the Omaha facility, professional fees, and other general office expenses. General and administrative expenses for the four months ended December 31, 2013 were \$12,182 and consisted of general office expenses incurred during the period, prior to the acquisition of our two medical facilities.

General and administrative expenses for the twelve months ended August 31, 2014 of \$454,866 primarily included \$434,200 related to acquisition costs that were expensed in connection with the acquisition of the Omaha facility. The remainder of this category included general office related expenses.

Depreciation Expense

For the four months ended December 31, 2014, depreciation expense was \$200,499 related to the Omaha and Asheville facilities that were acquired in June 2014 and September 2014, respectively.

For the twelve months ended August 31, 2014, depreciation expense was \$129,081 related to the Omaha facility.

Interest Expense

For the four months ended December 30, 2014 interest expense of \$454,697 results from interest incurred on our debt of \$415,268 and the amortization of deferred financing costs in the amount of \$39,429.

For the twelve months ended August 31, 2014 interest expense of \$298,664 results from interest incurred on our debt of \$272,221 and the amortization of deferred financing costs in the amount of \$26,443.

Liquidity and Capital Resources

General

Liquidity is a measure of our ability to meet potential cash requirements, maintain our assets, fund our operations and make dividend distributions to our stockholders and other general business needs. Our liquidity, to a certain extent, is subject to general economic, financial, competitive and other factors that are beyond our control. Our near-term liquidity requirements consist primarily of purchasing our target assets, restoring and leasing properties and funding our operations.

Our long-term liquidity needs consist primarily of funds necessary to pay for the acquisition and maintenance of properties; non-recurring capital expenditures; interest and principal payments on our indebtedness discussed below; payment of quarterly dividends to our stockholders to the extent declared by our board of directors; and general and administrative expenses. The nature of our business, our aggressive growth plans and the requirement that we distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain, to our stockholders, may cause us to have substantial liquidity needs over the long-term. We will seek to satisfy our long-term liquidity needs through cash flow from operations, long-term secured and unsecured indebtedness, the issuance of debt and equity securities, property dispositions, and joint venture transactions. We have financed our operations and acquisitions to date through the funding by the majority shareholder and bank loans as discussed below. We expect to meet our operating liquidity requirements generally through cash on hand and cash provided by operations (as we acquire additional real estate assets). We anticipate that cash on hand, cash provided by operations, funding from financial institutions, and funding by our majority shareholder will be sufficient to meet our liquidity requirements for at least the next 12 months. Our assets are

illiquid by their nature. Thus, a timely liquidation of assets might not be a viable source of short-term liquidity should a cash flow shortfall arise that causes a need for additional liquidity. It could be necessary to source liquidity from other financing alternatives should any such scenario arise.

To qualify as a REIT for federal income tax purposes, we are required to distribute annually at least 90% of our REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and to pay tax at regular corporate rates to the extent that we annually distribute less than 100% of our net taxable income. Subject to the requirements of the Maryland General Corporation Law we intend to pay quarterly dividends to our stockholders, if and to the extent authorized by our board of directors.

Cash Flow Information

Net cash provided by operating activities for the four months ended December 31, 2014 was \$129,184, which was primarily derived from an increase in accrued expenses over the four month period. We anticipate cash flows from operating activities to increase as we purchase additional properties and have a full year of operations.

Net cash used in investing activities for the four months ended December 31, 2014 was \$2,549,550. Cash flows used in investing activities were derived primarily from funds used for the acquisition of our facility in Asheville, North Carolina. Cash flows used in investing activities are heavily dependent upon the investment in properties and real estate assets. We anticipate cash flows used in investing activities to increase as we acquire additional properties in the future.

Net cash provided by financing activities for the four months ended December 31, 2014 was \$2,543,906. Cash flows provided by financing activities were derived primarily from the \$1.7 million loan obtained from the Bank of North Carolina and \$910,000 from the proceeds of the Convertible Debenture we issued to HFE USA, LLC, both used to fund the Asheville facility acquisition. We anticipate cash flows from financing activities to increase in the future as we raise additional funds from investors and incur debt to purchase properties.

Our continued operations and expansion are dependent upon our ability to obtain additional working capital. Although HFE USA, LLC may lend us funds or invest in our securities for our working capital needs, we have not entered into any agreement with HFE USA, LLC for any future loans or investments in our company. In the event we are unable to raise capital needed for our proposed business, we will have to seek additional financing, and no assurances can be given that such financing would be available on a timely basis, on terms that are acceptable or at all. Failure to obtain additional financing could result in delay or indefinite postponement of our proposed business which would materially adversely affect our results of operations and financial condition and threaten our financial viability

Dividends

On September 19, 2014, the Company declared a dividend of \$0.0852 per share payable to the holders of its common stock of record at the close of business September 29, 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. The aggregate amount of the dividend was \$21,300.

On October 18, 2014, the Company declared a dividend of \$0.0852 per share payable to the holders of its common stock of record at the close of business October 30, 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. The aggregate amount of the dividend was \$21,300.

On November 21, 2014, the Company declared a dividend of \$0.0852 per share payable to the holders of its common stock of record at the close of business December 2, 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. The aggregate amount of the dividend was \$21,300.

On December 18, 2014, the Company declared a dividend of \$0.0852 per share payable to the holders of its common stock of record at the close of business December 30, 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. The aggregate amount of the dividend was \$21,300.

During the four months ended December 31, 2014 the Company paid total dividends to holders of its common stock of \$85,200.

The amount of the dividends to our stockholders is determined by our board of directors and is dependent on a number of factors, including funds available for payment of dividends, our financial condition, capital expenditure requirements and annual dividend amount of offering proceeds that may be used to fund dividends, except that, in accordance with our organizational documents and Maryland law, we may not make dividend distributions that would: (i) cause us to be unable to pay our debts as they become due in the usual course of business; (ii) cause our total assets to be less than the sum of our total liabilities plus senior liquidation preferences; or (iii) jeopardize our ability to maintain our qualification as a REIT.

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.

Inflation

We expect to be exposed to inflation risk as income from future long-term leases will be the primary source of our cash flows from operations. We expect there to be provisions in the majority of our tenant leases that will protect us from the impact of inflation. These provisions will include negotiated rental increases, reimbursement billings for operating expense pass-through charges, and real estate tax and insurance reimbursements on a per square foot allowance. However, due to the long-term nature of the anticipated leases, among other factors, the leases may not re-set frequently enough to off-set the impact of inflation.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Global Medical REIT Inc.
Bethesda, MD

We have audited the accompanying balance sheets of Global Medical REIT, Inc. (the “Company”) as of December 31, 2014 and August 31, 2014, and the related statements of operations, stockholders’ equity and cash flows for the period from September 1, 2014 through December 31, 2014 and the periods from September 1, 2013 through August 31, 2014 and September 1, 2012 through August 31, 2013. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Global Medical REIT, Inc. as of December 31, 2014 and August 31, 2014 and the results of their operations and their cash flows for the period from September 1, 2014 through December 31, 2014 and the periods from September 1, 2013 through August 31, 2014 and September 1, 2012 through August 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

/s/ MaloneBailey, LLP

MALONEBAILEY, LLP
www.malonebailey.com
Houston, Texas
March 18, 2015

GLOBAL MEDICAL REIT INC.
Balance Sheets

	As of	
	December 31, 2014	August 31, 2014
Assets		
Investment in real estate:		
Building and improvements	\$ 24,373,762	\$ 21,867,065
Less: accumulated depreciation	(329,580)	(129,081)
Investment in real estate, net	24,044,182	21,737,984
Cash	286,525	162,985
Accounts receivable	2,793	-
Escrow deposits	14,877	14,940
Prepaid expense	-	19,307
Deferred financing costs, net	291,691	309,543
Total assets	\$ 24,640,068	\$ 22,244,759
Liabilities and Shareholders' Equity		
Liabilities:		
Accrued expenses	\$ 338,764	\$ 176,153
Due to related party, net	330,768	213,000
Convertible debenture, due to majority shareholder	5,446,102	4,536,102
Note payable to majority shareholder	38,195	38,195
Notes payable	16,760,000	15,060,000
Total liabilities	22,913,829	20,023,450
Shareholders' equity:		
Preferred stock, \$0.001 par value, 100,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock \$0.001 par value, 500,000,000 and 100,000,000 shares authorized at December 31, 2014 and August 31, 2014, respectively; 250,000 shares issued and outstanding at December 31, 2014 and August 31, 2014, respectively	250	250
Additional paid-in capital	3,011,790	3,011,790
Accumulated deficit	(1,285,801)	(790,731)
Total shareholders' equity	1,726,239	2,221,309
Total liabilities and shareholders' equity	\$ 24,640,068	\$ 22,244,759

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

GLOBAL MEDICAL REIT INC.
Statements of Operations

	Four Months Ended		Twelve Months Ended	
	December 31,		August 31,	
	2014	2013	2014	2013
		(unaudited)		
Revenue				
Rental revenue	\$ 596,585	\$ -	\$ 379,678	\$ -
Other income	71	-	727	-
Total revenue	596,656	-	380,405	-
Expenses				
Management fees	120,000	-	150,000	-
General and administrative	231,330	12,182	454,866	-
Depreciation expense	200,499	-	129,081	-
Interest expense	454,697	-	298,664	-
Total expenses	1,006,526	12,182	1,032,611	-
Loss from continuing operations	(409,870)	(12,182)	(652,206)	-
Loss from discontinued operations	-	-	-	(45,338)
Net loss	\$ (409,870)	\$ (12,182)	\$ (652,206)	\$ (45,338)
 Net loss per share – Basic and Diluted				
Continuing operations	\$ (1.64)	\$ (0.61)	\$ (13.49)	\$ -
Discontinued operations	-	-	-	(2.32)
Net loss per share – Basic and Diluted	\$ (1.64)	\$ (0.61)	\$ (13.49)	\$ (2.32)
 Weighted average shares outstanding – Basic and Diluted	250,000	20,000	48,356	19,572

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

GLOBAL MEDICAL REIT INC.
Statements of Shareholders' Equity

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	\$ Amount			
Balances, August 31, 2012	13,750	\$ 14	\$ 54,986	\$ (50,567)	\$ 4,433
Net loss	-	-	-	(45,338)	(45,338)
Common shares issued for cash	6,250	6	24,994	-	25,000
Balances, August 31, 2013	20,000	20	79,980	(95,905)	(15,905)
Net loss	-	-	-	(652,206)	(652,206)
Common shares issued upon conversion of debt	230,000	230	2,931,810	-	2,932,040
Dividends to shareholders	-	-	-	(42,620)	(42,620)
Balances, August 31, 2014	250,000	\$ 250	\$ 3,011,790	\$ (790,731)	\$ 2,221,309
Net loss	-	-	-	(409,870)	(409,870)
Dividends to shareholders	-	-	-	(85,200)	(85,200)
Balances, December 31, 2014	250,000	\$ 250	\$ 3,011,790	\$ (1,285,801)	\$ 1,726,239

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

GLOBAL MEDICAL REIT INC.
Statements of Cash Flows

	Four Months Ended		Twelve Months Ended	
	December 31,		August 31,	
	2014	2013 (unaudited)	2014	2013
Operating activities				
Net loss	\$ (409,870)	\$ (12,182)	\$ (652,206)	\$ (45,338)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation expense	200,499	-	129,081	-
Amortization of deferred financing costs	39,429	-	26,443	-
Changes in operating assets and liabilities:				
Accounts receivable	(2,793)	-	-	-
Prepaid expense	19,307	-	(19,307)	-
Accrued expenses	162,612	6,615	157,109	11,544
Accrued management fees due to related party	120,000	-	150,000	-
Net cash provided by (used in) operating activities	129,184	(5,567)	(208,880)	(33,794)
Investing activities				
Escrow deposits for purchase of properties	62	-	(14,940)	-
Loans to related party	(42,915)	-	-	-
Purchase of buildings and improvements	(2,506,697)	-	(21,867,065)	-
Net cash used in investing activities	(2,549,550)	-	(21,882,005)	-
Financing activities				
Loans from related party	40,683	5,514	62,620	-
Proceeds from issuance of common shares	-	-	-	25,000
Proceeds from convertible debenture to majority shareholder	910,000	-	7,468,142	-
Proceeds from note payable to majority shareholder	-	-	345,053	-
Payment on note payable to former shareholder	-	-	(306,858)	-
Proceeds from notes payable	1,700,000	-	15,060,000	-
Payment of deferred financing costs	(21,577)	-	(335,986)	-
Dividends paid to shareholders	(85,200)	-	(42,620)	-
Net cash provided by financing activities	2,543,906	5,514	22,250,351	25,000
Net increase (decrease) in cash and cash equivalents	123,540	(53)	159,466	(8,794)
Cash and cash equivalents—beginning of period	162,985	3,519	3,519	12,313
Cash and cash equivalents—end of period	\$ 286,525	\$ 3,466	\$ 162,985	\$ 3,519
Supplemental cash flow information:				
Cash payments for interest	\$ 270,778	\$ -	\$ 117,079	\$ -
Noncash financing and investing activities:				
Notes payable to majority shareholder converted to equity	\$ -	\$ -	\$ 2,932,040	\$ -

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

GLOBAL MEDICAL REIT INC.
Notes to Financial Statements

Note 1 – Organization

Global Medical REIT Inc. (the “Company”) was incorporated in the state of Nevada on March 18, 2011 under the name Scoop Media, Inc. (“Scoop Media”), which was acquired by the Hong Kong company known as Heng Fai Enterprises, Ltd. (“Heng Fai”) in 2013. The Company changed to its current name effective January 6, 2014 in connection with its re-domestication into a Maryland corporation and as discussed below its plans to develop and manage a portfolio of real estate assets in the healthcare industry, which may include the real estate of hospitals, medical centers, nursing facilities and retirement homes.

In order to reincorporate in Maryland, we entered into an Agreement and Plan of Conversion with Scoop Media pursuant to which Scoop Media was converted into our Company effective as of January 15, 2014 whereby we exchanged one share of common stock of Scoop Media, \$0.001 par value per share, into one share of common stock, \$0.001 par value per share, of our Company.

Heng Fai owns HFE USA, LLC, our majority shareholder. As of December 31, 2014, HFE USA, LLC owns an aggregate of 248,825 (or 99.5%) of the Company’s outstanding common stock.

Our primary investor goal is to provide attractive risk-adjusted returns and maximize sustainable distributable cash flow. Our principal investment strategy is to act on the opportunities created by the changing healthcare environment by acquiring, selectively developing and managing locally critical medical properties that are core to medical operator businesses and that meet our investment criteria. In general, we seek to acquire or develop specialty medical properties in desirable markets with tenants who are expected to prosper in the changing healthcare delivery environment. We focus on specialty medical properties, including medical office buildings, outpatient treatment and diagnostic facilities, physical group practice clinics, ambulatory surgery centers and specialty hospitals and treatment centers.

Effective November 7, 2014, the Company amended its articles of incorporation to increase the number of authorized shares of common stock, \$0.001 par value (the “our common stock”) from 100,000,000 to 500,000,000 and effected a reverse stock split of the outstanding shares of its common stock at the ratio of 1-for-400 (the “Reverse Stock Split”). All references to shares of the Company’s common stock in this transitional report on Form 10-KT refers to the number of shares of common stock after giving effect to the Reverse Stock Split (unless otherwise indicated).

We changed our fiscal year from August 31 to the calendar twelve months ending December 31, effective beginning with the year ended December 31, 2014. As a result our current fiscal period was shortened from twelve months to a four-month transition period that ended on December 31, 2014. In connection with our change in reporting period we reported our first quarter results as the three months ended November 30, 2014, under our previous fiscal reporting timing. This change in fiscal year is required based upon our intention to qualify and be taxed as a real estate investment trust (“REIT”) for federal income tax purposes.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) requires us to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income Taxes

We plan on electing to be taxed as a REIT for federal income tax purposes beginning in 2015. REITs are generally not subject to federal income taxes if the Company can meet many specific requirements. If we fail to qualify as a REIT in any taxable year, we will be subject to federal and state income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate tax rates, and we may be ineligible to qualify as a REIT for subsequent tax years. Even if we qualify as a REIT, we may be subject to certain state or local income taxes, and if we create a Taxable REIT Subsidiary (“TRS”), the TRS will be subject to federal, state and local taxes on its income at regular corporate rates. The Company recognizes the tax effects of uncertain tax positions only if the position is more likely than not to be sustained upon audit, based on the technical merits of the position. The Company has not identified any material uncertain tax positions and recognizes interest and penalties in income tax expense, if applicable. The Company is currently not under examination by any income tax jurisdiction.

Purchase of Real Estate

Transactions in which real estate assets are purchased that are not subject to an existing significant lease or are attached or related to a major healthcare provider are treated as asset acquisitions, and as such are recorded at their purchase price, including acquisition fees, which is allocated to land and building based upon their relative fair values at the date of acquisition. Investment properties that are acquired either subject to a significant existing lease or as part of a portfolio level transaction with significant leasing activity are treated as a business combination under Accounting Standards Codification (“ASC”) Topic 805, Business Combinations, and as such are recorded at fair value, allocated to land, building and the existing lease, if applicable, based upon their fair values at the date of acquisition, with acquisition fees and other costs expensed as incurred. Fair value is determined based on ASC Topic 820, Fair Value Measurements and Disclosures, primarily based on unobservable data inputs. In making estimates of fair values for purposes of allocating the purchase price of individually acquired properties, the Company utilizes its own market knowledge and published market data. In this regard, the Company also utilizes information obtained from county tax assessment records to assist in the determination of the fair value of the land and building. The Company utilizes market comparable transactions such as price per square foot to assist in the determination of fair value for purposes of allocating the purchase price of properties acquired as part of portfolio level transactions. The value of acquired leases, if applicable, is estimated based upon the costs we would have incurred to lease the property under similar terms.

Impairment of Long Lived Assets

The Company evaluates its real estate assets for impairment periodically or whenever events or circumstances indicate that its carrying amount may not be recoverable. If an impairment indicator exists, we compare the expected future undiscounted cash flows against the carrying amount of an asset. If the sum of the estimated undiscounted cash flows is less than the carrying amount of the asset, we would record an impairment loss for the difference between the estimated fair value and the carrying amount of the asset.

Depreciation Expense

Depreciation expense is computed using the straight-line method over the estimated useful lives of the buildings and improvements, which are generally between 5 and 40 years.

Cash and Cash Equivalents

The Company considers all demand deposits, cashier’s checks, money market accounts and certificates of deposits with a maturity of three months to be cash equivalents. The Company maintains their cash and cash equivalents and escrow deposits at financial institutions. The combined account balances may exceed the Federal Depository Insurance Corporation (“FDIC”) insurance coverage, and, as a result, there may be a concentration of credit risk related to amounts on deposit. The Company does not believe that this risk is significant.

Escrow Deposits

Escrow deposits include refundable and non-refundable cash earnest money deposits for the purchase of properties including advances from HFE USA, LLC. In addition, escrow deposits may include amounts paid for properties in certain states which require a judicial order when the risk and rewards of ownership of the property are transferred and the purchase is finalized.

Revenue Recognition

The Company’s operations consist of rental revenue earned from one tenant under a leasing arrangement which provides for minimum rent, escalations, and charges to the tenant for the real estate taxes and operating expenses. The lease has been accounted for as the operating lease. For operating leases with minimum scheduled rent increases, the Company recognizes income on a straight-line basis over the lease term when collectability is reasonably assured. Recognizing rental income on a straight-line basis for leases results in recognized revenue amounts which differ from those that are contractually due from tenants. If the Company determines that collectability of straight-line rents is not reasonably assured, future revenue recognition is limited to amounts contractually owed and paid, and, when appropriate, an allowance for estimated losses is established.

The Company maintains an allowance for doubtful accounts, including an allowance for operating lease straight-line rent receivables, for estimated losses resulting from tenant defaults or the inability of tenants to make contractual rent and tenant recovery payments. The Company monitors the liquidity and creditworthiness of its tenants and operators on a continuous basis. This evaluation considers industry and economic conditions, property performance, credit enhancements and other factors. For operating lease straight-line rent amounts, the Company’s assessment is based on amounts estimated to be recoverable over the term of the lease. As of December 31, 2014, there was no allowance for doubtful accounts.

Deferred Financing Costs

Deferred financing costs include amounts paid to lenders and others to obtain financing and are amortized to interest expense on a straight-line basis over the term of the related loan which approximates the effective interest method.

Segment Reporting

ASC Topic 280, "Segment Reporting," establishes standards for reporting financial and descriptive information about a public entity's reportable segments. The Company has determined that they have one reportable segment, with activities related to investing in medical office buildings. Their investments in real estate are in the same geographic region and management evaluates operating performance on an individual asset level.

Fair Value of Financial Instruments

Fair value is a market-based measurement, and should be determined based on the assumptions that market participants would use in pricing an asset or liability. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

- Level 1-Inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets;
- Level 2-Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument; and
- Level 3-Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company considers the carrying values of cash and cash equivalents, accounts and other receivables, escrow deposits, accounts payable and accrued liabilities to approximate the fair value for these financial instruments because of the short period of time since origination or the short period of time between origination of the instruments and their expected realization. Due to the short-term nature of these instruments, Level 1 and Level 2 inputs are utilized to estimate the fair value of these financial instruments. The fair value of accounts payable due to affiliates is not determinable due to the related party nature of the accounts payable.

Reclassifications

The Company reclassified the presentation of its four months ended December 31, 2013 (unaudited) and twelve months ended August 31, 2014 Statements of Cash Flows related to amounts due to related parties in order to be consistent with the presentation used for the current four months ended December 31, 2014. The current presentation includes accrued management fee expense as an "Operating Activity," loans made to related parties as an "Investing Activity," and loans received from related parties as a "Financing Activity."

Note 3 – Property Acquisitions

On June 5, 2014, the Company completed the acquisition of a 56-bed long term acute care hospital located at 1870 S 75th Street, Omaha, Nebraska for approximately \$21.7 million (approximately \$21.9 million after including legal fees). The Omaha facility is operated by Select Specialty Hospital – Omaha, Inc. pursuant to a sublease which expires in 2023, with sub lessee options to renew up to 60 years (the "operating lease"). The real property where the Omaha 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 initially was to expire in 2023 with sub lessee options to renew up to 60 years. However, as of December 31, 2014, the Company exercised two five-year lease renewal options and therefore the land lease currently expires in 2033, subject to future renewal options by the Company. In connection with the acquisition of the Omaha facility in June 2014, the Company borrowed \$15.06 million from Capital One, National Association.

On September 19, 2014, the Company acquired an approximately 8,840 square foot medical office building known as the Orthopedic Surgery Center, located in Asheville, North Carolina for approximately \$2.5 million. The Asheville facility is subject to an operating lease which expires in 2017, with lease options to renew up to five years. The property is owned fee simple. In connection with the acquisition of the Asheville facility, the Company borrowed \$1.7 million from the Bank of North Carolina and funded the remainder of the purchase price with the proceeds from a convertible debenture (the "Convertible Debenture") it issued to HFE USA, LLC in the principal amount of \$910,000 and with the Company's existing cash. Interest on the borrowings from the Bank of North Carolina is fixed at 4.75% for the term of the loan, which is due in full, including all accrued and unpaid interest on February 15, 2017. The Convertible Debenture bears interest at 8.0% per annum, payable monthly in arrears, and all unpaid interest and principal is due on September 9, 2015.

Note 4 – Notes Payable Related to Acquisitions

Omaha Note Payable

In order to finance a portion of the purchase price for the Omaha facility, on June 5, 2014 the Company entered into a Term Loan and Security Agreement with Capital One, National Association (the “Lender”) to borrow \$15.06 million (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 began on August 1, 2014, and are due on the first day of each calendar month thereafter. Principal payments begin on January 1, 2015 and are due on the first day of each calendar month thereafter based on an amortization schedule with the principal balance due on the Maturity Date. Interest expense on the loan was \$252,644 for the four months ended December 31, 2014. 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 30 calendar days’, but not more than 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, which is included in total deferred financing costs of \$335,986 that were capitalized during the twelve months ended August 31, 2014, as part of this financing. Refer to the “Deferred Financing Costs” section below for additional details.

As of December 31, 2014, scheduled principal payments due each subsequent year listed below are as follows:

2015	\$	311,536
2016		325,323
2017		14,423,141
Total Payments	\$	<u>15,060,000</u>

Asheville Note Payable

In order to finance a portion of the purchase price of the Asheville facility, on September 15, 2014 the Company entered into a Promissory Note with the Bank of North Carolina to borrow \$1.7 million. The note bears interest on the outstanding principal balance at the simple, fixed interest rate of 4.75% per annum and all unpaid principal and interest is due on February 15, 2017. Commencing on October 15, 2014, the Company will make on the 15th of each calendar month until and including March 15, 2015, monthly payments consisting of interest only. Thereafter, commencing on April 15, 2015, the outstanding principal and accrued interest shall be payable in monthly amortizing payments of \$10,986 each on the 15th day of each calendar month, until and including January 15, 2017. Interest expense on the note was \$20,188 for the four months ended December 31, 2014. This note may be prepaid in part or in full at any time and no prepayment penalty will be assessed with respect to any amounts prepaid. At closing, the Company paid a loan origination fee of \$17,000, which is included in total deferred financing costs of \$21,577 that were capitalized during the four months ended December 31, 2014, as part of this financing. Refer to the “Deferred Financing Costs” section below for additional details.

As of December 31, 2014, scheduled principal payments due each subsequent year listed below are as follows:

2015	\$	37,791
2016		52,714
2017		1,609,495
Total Payments	\$	<u>1,700,000</u>

Deferred Financing Costs

During the four months ended December 31, 2014, the Company recorded \$21,577 in deferred financing costs related to the Asheville loan. During the twelve months ended August 31, 2014, the Company recorded \$335,986 in deferred financing costs related to the Omaha loan. Accumulated amortization as of December 31, 2014 and August 31, 2014 was \$65,872 and \$26,443, respectively. Accordingly, net deferred financing costs on the accompanying Balance Sheets as of December 31, 2014 and August 31, 2014 were \$291,691 and \$309,543, respectively. Amortization expense related to the deferred financing costs for the four months ended December 31, 2014 and twelve months ended August 31, 2014 were \$39,429 and 26,443, respectively, and are included in the “Interest Expense” line item in the accompanying Statements of Operations.

Note 5 – Shareholders' Equity

Preferred Stock

The Company's charter authorizes the issuance of 100,000,000 shares of preferred stock, par value \$0.001 per share. As of December 31, 2014 and August 31, 2014, no shares of preferred stock were issued and outstanding.

Common Stock

On December 10, 2013, in connection with Heng Fai's acquisition of Scoop Media, Heng Fai purchased 6,250 common shares of Scoop Media from various parties for \$25,000.

On July 17, 2014, HFE USA, LLC converted \$2,932,040 of the principal and accrued interest under the Convertible Debenture into 230,000 shares of our unregistered common stock.

Effective November 7, 2014, the Company amended its articles of incorporation to increase the number of authorized shares of common stock, \$0.001 par value (the "common stock"), from 100,000,000 to 500,000,000 and effected a reverse stock split of the outstanding shares of its common stock at the ratio of 1-for-400 (the "Reverse Stock Split"). As of December 31, 2014 and August 31, 2014, there were 250,000 outstanding common shares. All references to shares of the Company's common stock in this transitional report on Form 10-KT refers to the number of shares of common stock after giving effect to the Reverse Stock Split (unless otherwise indicated).

During the twelve months ended August 31, 2014 the Company paid total dividends to holders of its common stock of \$42,620.

On September 19, 2014, the Company declared a dividend of \$0.0852 per share payable to the holders of its common stock of record at the close of business September 29, 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. The aggregate amount of the dividend was \$21,300.

On October 18, 2014, the Company declared a dividend of \$0.0852 per share payable to the holders of its common stock of record at the close of business October 30, 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. The aggregate amount of the dividend was \$21,300.

On November 21, 2014, the Company declared a dividend of \$0.0852 per share payable to the holders of its common stock of record at the close of business December 2, 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. The aggregate amount of the dividend was \$21,300.

On December 18, 2014, the Company declared a dividend of \$0.0852 per share payable to the holders of its common stock of record at the close of business December 30, 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. The aggregate amount of the dividend was \$21,300.

During the four months ended December 31, 2014 the Company paid total dividends to holders of its common stock of \$85,200.

Note 6 – Related Party Transactions

Allocated General and Administrative Expenses

In the future, the Company may receive an allocation of general and administrative expenses from the Manager that are either clearly applicable to or were reasonably allocated to the operations of the properties. There were no allocated general and administrative expenses from the Manager for the four months ended December 31, 2014.

Convertible Debenture

As discussed in Note 3 – "Property Acquisitions," during the four months ended December 31, 2014, HFE USA, LLC loaned the Company \$910,000 to finance a portion of the Asheville facility purchase price and pay closing costs. Additionally, during the twelve months ended August 31, 2014, HFE USA, LLC loaned the Company \$7,468,142 to assist in the acquisition of the Omaha facility and pay closing costs. The loans are classified as the Convertible Debenture totaling \$8,378,142. The Convertible Debenture is unsecured, bears interest at 8.0% per annum, payable monthly in arrears, and all unpaid interest and principal is due on September 9, 2015. Interest is paid annually in arrears and is due on the last day of each calendar month thereafter. The Company may prepay the note at any time, in whole or in part. HFE USA, LLC may elect to convert all or a portion of the outstanding principal amount of the note into shares of common stock in an amount equal to the principal amount of the note, together with accrued but unpaid interest, divided by \$12.748.

On July 17, 2014, HFE USA, LLC converted \$2,932,040 of the principal and accrued interest under the Convertible Debenture into 230,000 shares of our unregistered common stock. Shares of our unregistered common stock issuable to HFE USA, LLC under the Convertible Debenture are subject to customary anti-dilution rights in the event of stock splits, stock dividends and similar corporate events.

As of December 31, 2014 and August 31, 2014, the outstanding principal balance of the Convertible Debenture was \$5,446,102 and 4,536,102, respectively. Interest expense on the Convertible Debenture was \$142,436 and \$91,468 for the four months ended December 31, 2014 and the twelve months ended August 31, 2014, respectively.

The Company analyzed the conversion option in the Convertible Debenture for derivative accounting treatment under ASC Topic 815, "Derivatives and Hedging," and determined that the instrument does not qualify for derivative accounting. The Company therefore performed an analysis to determine if the conversion option was subject to a beneficial conversion feature and determined that the instrument does not have a beneficial conversion feature.

Note Payable to Majority Shareholder

During the fiscal year ended August 31, 2014, HFE USA, LLC loaned \$345,053 to the Company for general corporate purposes, of which the Company repaid \$306,858 during that fiscal year. As of December 31, 2014 and August 31, 2014, the note payable balance was \$38,195. The note payable is unsecured, due on demand, and non-interest bearing.

Due to Related Party, Net

As of December 31, 2014, the Company had a net related party payable balance of \$330,768 that reflected \$270,000 owed to the Manager by the Company for cumulative incurred but unpaid management fees and \$103,683 for funds loaned to the Company by the Manager to be used by the Company for general corporate purposes. These amounts are recorded net of \$42,915 that the Manager owes the Company for funds paid by the Company related to the Asheville facility acquisition. The net due to related party balance at August 31, 2014 was \$213,000.

Management Agreement

On November 10, 2014, the Company entered into a Management Agreement, with an effective date of April 1, 2014, with Inter-American Management, LLC (the "Manager"), a Delaware limited liability company and an affiliate of the Company. Under the terms of the Management Agreement, the Manager is responsible for designing and implementing our business strategy and administering our business activities and day-to-day operations. For performing these services, the Company will pay the Manager 8% of rental revenue for property management services and a base management fee equal to the greater of (a) 2.0% per annum of the Company's net asset value (the value of the Company's assets less the value of the Company's liabilities), or (b) \$30,000 per calendar month. For the four months ended December 31, 2014 and the twelve months ended August 31, 2014, management fees of \$120,000 and \$150,000, respectively (since April 1, 2014), were incurred and expensed by the Company, due to the Manager, and remain unpaid as of December 31, 2014 and August 31, 2014. Additionally, during the four months ended December 31, 2014 and the twelve months ended August 31, 2014, the Company expensed \$48,400 and \$434,200, respectively, that was paid to the Manager related to the acquisition of the Asheville facility in September 2014 and the Omaha facility in June 2014, respectively. This expense is included in the "General and Administrative Expense" line item in the accompanying Statements of Operations.

Note 7 – Rental Revenue

The aggregate annual minimum cash to be received by the Company on the noncancelable operating leases related to the Omaha and Asheville facilities, in effect as of December 31, 2014, are as follows for the subsequent years listed below.

2015	\$	1,783,426
2016		1,836,929
2017		1,873,915
2018		1,711,177
2019		1,762,512
Thereafter		6,472,544
Total Receipts	\$	<u>15,440,503</u>

Note 8 – Omaha Land Lease Rent Expense

The Omaha facility land lease initially was to expire in 2023 with options to renew up to 60 years. However, as of December 31, 2014, the Company exercised two five-year lease renewal options and therefore the land lease currently expires in 2033, subject to future renewal options by the Company. Under the terms of the land lease, annual rents increase 12.5% every fifth anniversary of the lease. The initial land lease increase will occur in April 2017. During the four months ended December 31, 2014 and the twelve months ended August 31, 2014 the Company expensed \$44,908 and \$4,277 related to this lease. The aggregate minimum cash payments to be made by the Company on the non-cancelable Omaha facility related land lease in effect as of December 31, 2014, are as follows for the subsequent years listed below.

2015	\$	59,876
2016		59,876
2017		65,493
2018		67,365
2019		67,365
Thereafter		1,083,899
Total Payments	<u>\$</u>	<u>1,403,874</u>

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Litigation

The Company is not presently subject to any material litigation nor, to its knowledge, is any material litigation threatened against the Company, which if determined unfavorably to the Company, would have a material adverse effect on the Company's financial position, results of operations, or cash flows.

Environmental Matters

The Company follows a policy of monitoring its properties for the presence of hazardous or toxic substances. While there can be no assurance that a material environmental liability does not exist at its properties, the Company is not currently aware of any environmental liability with respect to its properties that would have a material effect on its financial position, results of operations, or cash flows. Additionally, the Company is not aware of any material environmental liability or any unasserted claim or assessment with respect to an environmental liability that management believes would require additional disclosure or the recording of a loss contingency.

NOTE 10 – DISCONTINUED OPERATIONS

Prior to September 30, 2013 the Company was seeking to develop an Internet dating, review, and information website. As discussed in Note 1 – “Organization” the Company's current business strategy is to focus on the acquisition and management of properties and real estate assets.

There were no balance sheet amounts related to discontinued operations as of December 31, 2014 or August 31, 2014 and no discontinued operating results during any period reported herein other than the twelve months ended August 31, 2013, as presented below:

		<u>Twelve Months Ended</u> <u>August 31, 2013</u>
General and administrative expenses	\$	45,338
Loss from discontinued operations	\$	45,338

NOTE 11 – INCOME TAXES

For the 2015 tax year, the Company is planning to elect and qualify as a REIT under the Internal Revenue Code. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that the Company distribute at least 90% of its adjusted taxable income to its stockholders. It is management's current intention to adhere to these requirements and be eligible to be a REIT for the year ended December 31, 2015. As a REIT, the Company generally will not be subject to corporate level federal income tax on taxable income currently distributed to stockholders. If the Company fails to qualify as a REIT for the 2015 tax year, it will be subject to federal and state income taxes at corporate tax rates. Even if the Company qualifies to be taxed as a REIT for 2015, it may be subject to federal and state taxes on any undistributed taxable income. For the 2015 tax year, the Company intends to distribute all of its taxable income; therefore, no provision for federal or state income taxes has been recorded in the financial statements.

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company has incurred a net operating loss of approximately \$540,000, as of December 31 2014, which begins expiring in 2028. The Company has adopted ASC Topic 740, "Accounting for Income Taxes," as of its inception. Pursuant to ASC Topic 740, the Company is required to compute tax asset benefits for non-capital losses carried forward. The potential benefit of the net operating loss has not been recognized in these financial statements because it cannot be assured it is more likely than not it will utilize the loss carried forward in future years.

Significant components of the deferred tax assets and liabilities as of December 31, 2014 and August 31, 2014, after applying enacted corporate income tax rates, are as follows:

	<u>December 31, 2014</u>	<u>August 31, 2104</u>
Deferred income tax asset:		
Net operating loss carry forward	\$ 184,000	\$ 181,970
Valuation allowance	(184,000)	(181,970)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years.

The Company follows ASC Topic 740 to recognize, measure, present and disclose in our consolidated financial statements uncertain tax positions that it has taken or expects to take on a tax return. As of December 31, 2014 and August 31, 2014, the Company did not have any liabilities for uncertain tax positions that it believes should be recognized in its financial statements. The Company is not subject and has not been subject to any federal or state income tax examinations.

NOTE 12 – SUBSEQUENT EVENTS

On January 21, 2015, the Company declared a dividend of \$0.0852 per share payable to the holders of its common stock of record at the close of business February 2, 2015. 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. The aggregate amount of the dividend was \$21,300.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. 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 with 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 management, under the supervision and with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2014. Based on that evaluation solely as a result of the material weakness in our internal control over financial reporting identified below, our principal executive officer and principal financial officer concluded that, as of December 31, 2014, the Company's disclosure controls and procedures were not effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act (a) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (b) is accumulated and communicated to the Company's management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

The specific material weakness identified by our management was a lack of controls over the preparation and filing of our Form 10-Q for the period ended November 30, 2014 due to the Company's misinterpretation of the transitional filing requirements related to the changing of the Company's fiscal year end to a calendar year end. On January 7, 2015, the Company filed a Current Report on Form 8-K indicating that on December 31, 2014, the Company's Board of Directors approved a change in fiscal year to a calendar year end and that the Company would be filing a Form 10-KT for the four month transitional period ended December 31, 2014. A "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements would not be prevented or detected on a timely basis.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for the preparation of our consolidated financial statements and related information. Management uses its best judgment to ensure that the consolidated financial statements present fairly, in material respects, our financial position and results of operations in conformity with generally accepted accounting principles. Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in the Securities Exchange Act of 1934. These internal controls are designed to provide reasonable assurance that the reported financial information is presented fairly, that disclosures are adequate and that the judgments inherent in the preparation of financial statements are reasonable. There are inherent limitations in the effectiveness of any system of internal controls including the possibility of human error and overriding of controls. Consequently, an ineffective internal control system can only provide reasonable, not absolute, assurance with respect to reporting financial information.

Our internal control over financial reporting includes policies and procedures that: (i) pertain to maintaining records that, in reasonable detail, accurately and fairly reflect our transactions; (ii) provide reasonable assurance that transactions are recorded as necessary for preparation of our financial statements in accordance with generally accepted accounting principles and that the receipts and expenditures of company assets are made in accordance with our management and directors authorization; and (iii) provide reasonable assurance regarding the prevention of or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on our financial statements.

Under the supervision of management, including our Chief Executive Officer and our Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission published in 1992 and subsequent guidance prepared by the Commission specifically for smaller public companies. Based on that evaluation, due to the material weakness described above, our management concluded that our internal controls over financial reporting were not effective as of December 31, 2014.

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.

This Transition Report on Form 10-K does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit us to provide only management's report in this Transition Report on Form 10-K.

Remediation of Material Weaknesses in Internal Control Over Financial Reporting

We believe the following actions we have taken and are taking will be sufficient to remediate the material weakness described above:

On September 30, 2014 we appointed Mr. McClure as our Chief Financial Officer;

Through our management agreement with Inter-American Management we entered into on November 10, 2014, we have an additional qualified accounting staff member who has knowledge in dealing with U.S. GAAP accounting and financial issues; and

Our accounting staff has developed and implemented policies and procedures necessary for the timely preparation and filing of our periodic reports, including the change of fiscal quarters. The Company believes that as the change in fiscal year end is a one-time event this misinterpretation will not be repeated.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or 15d-15 of the Exchange Act that occurred during our most recent transition period that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. Other Information

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The Company is in its early stage and does not have sufficient working capital to employ full-time senior management team. Thereby the Company has adopted the strategy of electing founders or persons appointed by majority shareholders as board members to work together to execute the goals and objectives of the Company. As the Company matures, the Board will evaluate this strategy and make the necessary changes.

Our directors hold office until their successors are elected and qualified, or until their deaths, resignations or removals. Our officers hold office at the pleasure of our board of directors, or until their deaths, resignations or

removals. Our directors and executive officers, their ages, and positions held are as follows:

Directors and Executive Officers

Set forth below are the names and ages of our directors and executive officers and their principal occupations at present and for at least the past five years.

Name	Age	Position
David A. Young	67	Chief Executive Officer and Director
Conn Flanigan	46	Secretary and Director
Donald McClure	46	Chief Financial Officer
Jeffrey Busch	57	Director
Tong Wan Chan	40	Director
Fai H. Chan	70	Director

Business Experience

David A. Young

David A. Young has been our Chief Executive Officer since February 5, 2014. Mr. Young is a 35-year veteran of healthcare real estate. Mr. Young was the founder and Chief Executive Officer of Global Medical Realty Trust, which focused on sponsored development and equity lease financing of market leading healthcare real estate from 2009 to 2014. As the Senior Vice President of Business Development at GE Capital between 2004 and 2008, Mr. Young organized, co-launched and grew GE Capital's first acute medical real estate financing initiative.

From December 2000 to March 2004, Mr. Young was the Senior Vice President at Windrose Medical Properties, a NYSE-listed healthcare REITs where he was responsible for business development and acquisitions. From 1990 to 1999, Mr. Young served as the senior corporate officer responsible for business development and acquisitions at Healthcare Property Investors, Inc., a leading real estate investment trust. Prior to August 1990, Mr. Young served as Associate Professor and Assistant Hospital Director of Vanderbilt University Medical Center from 1988 to 1990, served as Vice President — Marketing of Hospital Corporation of America from 1985 to 1988, and served as Director of Planning and Business Development of American Hospital Supply Corporation from 1981 to 1985. Mr. Young holds a B.S. Degree from the University of Iowa, and an MBA in finance from Suffolk University.

In serving as our Chief Executive Officer, Mr. Young's role will be to manage our operations, marketing, and business development. Together with other consultants, he plans to identify and lead our planned acquisition of a portfolio of medical and healthcare-related assets in the United States and selected international countries which offer recurring yields.

The board of directors appointed Mr. Young in recognition of his abilities to assist us in expanding our business and the contributions he can make to our strategic direction. Mr. Young has not yet been appointed to any board committees.

Donald McClure

Mr. McClure is a real estate business professional, leader, trainer, advisor and entrepreneur. In his professional career he is known for taking the lead roles in organizational development efforts and large-scale projects.

Mr. McClure's experience covers many functional areas of finance and accounting, including Policy and Procedure development, Compliance, Internal Controls, Acquisition Due Diligence, Ratio Reporting, SEC Reporting, GAAP Financials, Accounts Receivable, Accounts Payable, Fixed Assets, Contract Implementation, Billing, Payroll, Revenue/Expense Planning, Budgets and Reporting.

Mr. McClure has extensive experience in operational business development creating policy and procedures

specific to REIT compliance to prevent fraud and material errors. His core real estate business experience covers Residential, Office, Retail, Medical Office and Industrial asset classes, as well as ground-up development projects. He is well-versed in Housing and Urban Development, Tax Credit, Bond Deals, Condominium and Home Owner's Association issues. Mr. McClure served as the Accounting Manager of Washington Real Estate Investment Trust (NYSE/WRE), the oldest REIT in the country, with an established track record of consecutive dividend distributions.

Mr. McClure also served as the CFO/Controller of Quantum Real Estate Management. Mr. McClure brings experience working with the "Big Four" accounting firms, along with many local firms, having been engaged in over 300 client-side quarterly, interim and year-end audits. Mr. McClure holds a Bachelor of Science in Finance from North Carolina A&T State University, and a Masters of Business Administration from Keller School of Management. He is currently pursuing his doctorate in International Finance at Walden University.

Jeffrey Busch

Jeffrey Busch has been an active investor in the real estate industry since 1985. He has developed numerous properties in various asset classes, owning and managing real estate in several states, including rental housing, hotels and a wide variety of commercial real estate.

Mr. Busch later served as President of Safe Blood International Foundation, where he oversaw the establishment of medical facilities in 35 developing nations, funded by the U.S. Center for Disease Control and USAID among others.

Mr. Busch is a graduate of the New York University Stern School of Business, holds a Masters of Public Administration from New York University, and a Doctor of Jurisprudence from Emory University.

Tong Wan Chan

Tong Wan Chan serves as the Managing Director of Heng Fai Enterprises, Ltd., ("Heng Fai") the Company's majority shareholder. He joined Heng Fai as a Non-Executive Director in January 2000, re-designated as an Executive Director in September 2002 and was appointed as Managing Director in August 2003. As the Managing Director of Heng Fai, Mr. Chan oversees the Heng Fai's principal strategic investments activities in both publicly-listed and private companies. Mr. Chan's father is Fai H. Chan, also a director of the Company.

Mr. Chan has over 15 years of experience in investment banking-related vocations and specialized in Asian equity financial products for two international investment banking firms, originating and dealing in listed and over-the-counter structured products. He has also acted as a securities' principal in a U.S. NASD-licensed brokerage house. Mr. Chan was an Executive Director of SingHaiyi Group Ltd.

Mr. Chan graduated from the University of British Columbia with a Bachelor of Commerce degree (honors) with a Finance specialization.

Fai H. Chan

Fai H. Chan, has been a director since February 5, 2014 and 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 Singapore eDevelopment Limited (formerly known as CCM Group Limited) ("SeD") (<http://www.sed.com.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 SeD was increased from approximately S\$8.3 million to S\$25 million within three months. In April 2014 Mr. Fai Chan was redesignated to be the Chief Executive Officer of SeD. 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. Fai 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. Fai Chan. Mr. Fai Chan is the father of Mr. Tong Wan Chan.

The board of directors appointed Mr. Young, Mr. Busch, Mr. Tong Chan and Mr. Fai Chan in recognition of their abilities to assist the Company in expanding its business and the contributions they can make to the Company's strategic direction.

Committees of our Board of Directors

Our securities are not quoted on an exchange that has requirements that a majority of our Board members be independent and we are not currently otherwise subject to any law, rule or regulation requiring that all or any portion of our Board of Directors include "independent" directors, nor are we required to establish or maintain an Audit Committee or other committee of our Board of Directors.

We have not established any committees, including an Audit Committee, a Compensation Committee or a Nominating Committee, any committee performing a similar function. The functions of those committees are being undertaken by Board of Directors as a whole. Because we have only three directors, none of whom are independent, we believe that the establishment of these committees would be more form over substance.

We do not have a policy regarding the consideration of any director candidates which may be recommended by our stockholders, including the minimum qualifications for director candidates, nor has our Board of Directors established a process for identifying and evaluating director nominees. We have not adopted a policy regarding the handling of any potential recommendation of director candidates by our stockholders, including the procedures to be followed. Our Board has not considered or adopted any of these policies as we have never received a recommendation from any stockholder for any candidate to serve on our Board of Directors. Given our relative size and lack of directors and officers insurance coverage, we do not anticipate that any of our stockholders will make such a recommendation in the near future. While there have been no nominations of additional directors proposed, in the event such a proposal is made, all members of our Board will participate in the consideration of director nominees. In considering a director nominee, it is likely that our Board will consider the professional and/or educational background of any nominee with a view towards how this person might bring a different viewpoint or experience to our Board.

None of our directors is an "audit committee financial expert" within the meaning of Item 401(e) of Regulation S-K. In general, an "audit committee financial expert" is an individual member of the audit committee or Board of Directors who:

- understands generally U.S. GAAP and financial statements,
- is able to assess the general application of such principles in connection with accounting for estimates, accruals and reserves,
- has experience preparing, auditing, analyzing or evaluating financial statements comparable to the breadth and complexity to our financial statements,
- understands internal controls over financial reporting, and
- understands audit committee functions.

Family Relationships

Except for Mr. Tong Wan Chan and Mr. Fai Chan, his father, no family relationship exists between any director, executive officer, or any person contemplated to become such.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers have been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors, or has been a party to any judicial or administrative proceeding during the past five years that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws, except for matters that were dismissed without sanction or settlement. Except as set forth in our discussion below in “Certain Relationships and Related Transactions,” none of our directors, director nominees or executive officers has been involved in any transactions with us or any of our directors, executive officers, affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

Code of Business Conduct and Ethics

We currently do not have a Code of Business Conduct and Ethics. We intend to adopt a code of ethics during the fiscal year ending December 31, 2015.

Compliance with Section 16(a) of the Securities Exchange Act of 1934

Since none of our securities have been registered pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934, our officers and directors and persons who own more than 10% of our common stock are not required to file Section 16(a) beneficial ownership reports.

ITEM 11. EXECUTIVE COMPENSATION

Tabular presentation that sets forth certain compensation information for: (i) our principal executive officer or other individual serving in a similar capacity during our fiscal year ended August 31, 2014; (ii) our two most highly compensated executive officers other than our principal executive officer who were serving as executive officers at August 31, 2014 whose compensation exceed \$100,000; and (iii) up to two additional individuals for whom disclosure would have been required but for the fact that the individual was not serving as an executive officer at August 31, 2014, is not presented for the fiscal years ended August 31, 2014 and 2013, as the amount of services dedicated to the Company by these executives resulted in immaterial compensation. Mr. Conn Flanigan resigned as our Chief Executive Officer on September 30, 2014 and Mr. David Young was appointed as our Chief Executive Officer on September 30, 2014.

Employment of Executive Officers

Our management agreement provides that our Manager is responsible for managing our affairs. Our Chief Executive Officer is an employee of the Manager and certain of its affiliates, did not receive cash compensation from us for serving as an executive officer of our company. Instead, we agreed to pay our Manager the management fees

described in “Certain Relationships and Related Transactions—Management Agreement” below. Prior to the April 1, 2014 effective date of the management agreement, an affiliate of our company paid the salary of our Chief Executive Officer. Our Chief Executive Officer is currently being paid \$120,000 per year. The Company and Mr. Young are negotiating a compensation package that will likely include increased base salary, bonus opportunities, stock options, benefits, and performance standards.

There are no stock option plans, retirement, pension, or profit sharing plans for the benefit of our officers and director other than as described herein.

Equity Awards

We have not awarded any shares of stock, options or other equity securities to our directors or executive officers since our inception. We have not adopted any equity incentive plan. There were no grants of stock options since inception.

The Board of Directors of the Company has not adopted a stock incentive plan. The Company has no plans to adopt one at this time but may choose to do so in the future. If such a plan is adopted, this may be administered by the board or a committee appointed by the board (the “Committee”). The committee would have the power to modify, extend or renew outstanding options and to authorize the grant of new options in substitution therefore, provided that any such action may not impair any rights under any option previously granted. The Company may develop an incentive based stock option plan for its officers and directors and may reserve up to 10% of its outstanding shares of common stock for that purpose.

Director Compensation

Our directors are not compensated for their services and we have no plans to pay our directors any money in the future. All our directors are compensated by affiliates of the Company. The board has not implemented a plan to award options to our director. There are no contractual arrangements with any member of the board of directors. We have no director's service contracts.

Employment Contracts

We have no employment contracts with any of our officers or directors.

Long-Term Incentive Plan Awards

We do not have any long-term incentive plans that provide compensation intended to serve as incentive for performance.

Indemnification

Under our Articles of Incorporation and Bylaws of the corporation, we may indemnify an officer or director who is made a party to any proceeding, including a law suit, because of his position, if he acted in good faith and in a manner he reasonably believed to be in our best interest. We may advance expenses incurred in defending a proceeding. To the extent that the officer or director is successful on the merits in a proceeding as to which he is to be indemnified, we must indemnify him against all expenses incurred, including attorney's fees. With respect to a derivative action, indemnity may be made only for expenses actually and reasonably incurred in defending the proceeding, and if the officer or director is judged liable, only by a court order. The indemnification is intended to be to the fullest extent permitted by the laws of the State of Nevada.

Regarding indemnification for liabilities arising under the Securities Act of 1933, which may be permitted to directors or officers under Nevada law, we are informed that, in the opinion of the Securities and Exchange Commission, indemnification is against public policy, as expressed in the Act and is, therefore, unenforceable.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following tables set forth certain information, as of December 12, 2014 with respect to the beneficial ownership of our outstanding common stock and preferred stock by (i) any holder of more than five percent, (ii) each of our executive officers and directors, and (iii) our directors and executive officers as a group.

Unless otherwise indicated, the business address of each person listed is in care of Global Medical REIT, Inc., 4800 Montgomery Lane #450, Bethesda, Maryland 20814. The information provided herein is based upon a list of our shareholders and our records with respect to the ownership of common stock. The percentages in the table have been calculated on the basis of treating as outstanding for a particular person, all shares of our common stock outstanding on that date and all shares of our common stock issuable to that holder in the event of exercise of outstanding options, warrants, rights or conversion privileges owned by that person at that date which are exercisable within 60 days of that date. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our common stock owned by them, except to the extent that power may be shared with a spouse.

Common Stock		
Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class ⁽¹⁾
David A. Young, Chief Executive Officer and Director	-	-
Donald McClure, Chief Financial Officer ⁽²⁾	-	-
Conn Flanigan, Secretary and Director ⁽³⁾	-	-
Fai H. Chan, Director ⁽⁴⁾	604,654	99.81%
Tong Wan Chan, Director ⁽⁵⁾	604,654	-
Jeffery Busch, Director ⁽⁶⁾	-	-
All officers and directors as a group (six persons)	604,654	99.81%
HFE USA, LLC (“HFE USA, LLC”) ⁽⁴⁾	604,654	99.81%

(1) Based on 605,829 shares of common stock outstanding.

(2) Mr. McClure was appointed as Chief Financial Officer on September 30, 2014.

(3) Mr. Flanigan resigned as Chief Executive Officer on February 5, 2014, and resigned as Chief Financial Officer on September 30, 2014.

(4) The amount beneficially owned by Mr. Fai Chan consists of 248,825 shares owned by HFE USA, LLC and 355,829 shares issuable to HFE USA, LLC pursuant to a convertible debenture. Mr. Chan has voting and dispositive control over securities held by HFE USA, LLC, whose address is 24/F Wyndham Place, 40-44 Wyndham Street, Central, Hong Kong, PRC.

(5) Mr. Tong Wan Chan was appointed as a Director on September 30, 2014. Also, Mr. Tong Wan Chan is the son of Mr. Fai H. Chan. Mr. Tong Wan Chan is the Managing Director of Heng Fai Enterprises, the owner of HFE USA, LLC and has voting and dispositive control over securities held by HFE USA, LLC.

(6) Mr. Busch was appointed as a Director on September 30, 2014.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Allocated General and Administrative Expenses

In the future, the Company may receive an allocation of general and administrative expenses from the Manager that are either clearly applicable to or were reasonably allocated to the operations of the properties. There were no allocated general and administrative expenses from the Manager for the four months ended December 31, 2014.

Convertible Debenture

During the four months ended December 31, 2014, HFE USA, LLC loaned the Company \$910,000 to finance a portion of the Asheville facility purchase price and pay closing costs. Additionally, during the twelve months ended August 31, 2014, HFE USA, LLC loaned the Company \$7,468,142 to assist in the acquisition of the Omaha facility and pay closing costs. The loans are classified as a convertible debenture (the “Convertible Debenture”) totaling \$8,378,142. The Convertible Debenture bears interest at 8.0% per annum, payable monthly in arrears, and all unpaid interest and principal is due on September 9, 2015. Interest is paid annually in arrears and is due on the last day of each calendar month thereafter. The Company may prepay the note at any time, in whole or in part. HFE USA, LLC may elect to convert all or a portion of the outstanding principal amount of the note into shares of common stock in an amount equal to the principal amount of the note, together with accrued but unpaid interest, divided by \$12.748.

On July 17, 2014, HFE USA, LLC converted \$2,932,040 of the principal and accrued interest under the Convertible Debenture into 230,000 shares of our unregistered common stock. Shares of our unregistered common stock issuable to HFE USA, LLC under the Convertible Debenture are subject to customary anti-dilution rights in the event of stock splits, stock dividends and similar corporate events.

Accordingly, as of December 31, 2014, the outstanding principal balance of the Convertible Debenture was \$5,446,102. Interest expense on the Convertible Debenture was \$142,436 for the four months ended December 31, 2014.

Note Payable to Majority Shareholder

During the fiscal year ended August 31, 2014, HFE USA, LLC loaned \$345,053 to the Company for general corporate purposes, of which the Company repaid \$306,858 during that fiscal year. As of December 31, 2014 and August 31, 2014, the notes payable balance was \$38,195.

Due to Related Party, Net

As of December 31, 2014, the Company had a net related party payable balance of \$330,768 that reflected \$270,000 owed to the Manager by the Company for cumulative incurred but unpaid management fees and \$103,683 for funds loaned to the Company by the Manager to be used by the Company for general corporate purposes. These amounts are recorded net of \$42,915 that the Manager owes the Company for funds paid by the Company related to the Asheville facility acquisition. The net due to related party balance at August 31, 2014 was \$213,000.

Management Agreement

On November 10, 2014, the Company entered into a Management Agreement, with an effective date of April 1, 2014, with Inter-American Management, LLC (the “Manager”), a Delaware limited liability company and an affiliate of the Company. Under the terms of the Management Agreement, the Manager is responsible for designing and implementing our business strategy and administering our business activities and day-to-day operations. For performing these services, the Company will pay the Manager 8% of rental revenue for property management services and a base management fee equal to the greater of (a) 2.0% per annum of the Company’s net asset value (the value of the Company’s assets less the value of the Company’s liabilities), or (b) \$30,000 per calendar month. For the four months ended December 31, 2014 and the twelve months ended August 31, 2014, management fees of \$120,000 and \$150,000, respectively (since April 1, 2014), were incurred and expensed by the Company, due to the Manager, and remain unpaid as of December 31, 2014 and August 31, 2014. Additionally, during the four months ended December 31, 2014 and the twelve months ended August 31, 2014, the Company expensed \$48,400 and \$434,200, respectively, that was paid to the Manager related to the acquisition of the Asheville facility in September 2014 and the Omaha facility in June 2014, respectively. This expense is included in the “General and Administrative Expense” line item in the accompanying Statements of Operations. For additional information regarding our Management Agreement refer to our Annual Report on Form 10-K that was filed for the fiscal year ended August 31, 2014.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table shows the fees that were billed for the audit and other services provided by Malone

Bailey, LLP for the four months ended December 31, 2014, the twelve months ended August 31, 2014, and the twelve months ended August 31, 2013.

	<u>Four Months Ended December 31, 2014</u>	<u>Twelve Months Ended August 31, 2014</u>	<u>Twelve Months Ended August 31, 2013</u>
Audit fees	\$ 15,000	\$ 25,000	\$ 4,500
Audit-related fees	-	-	-
Tax fees	-	-	-
All other fees	-	10,000	-
Total	<u>\$ 15,000</u>	<u>\$ 35,000</u>	<u>\$ 4,500</u>

Audit Fees — This category includes the audit of our annual financial statements, review of financial statements included in our Quarterly Reports on Form 10-Q and services that are normally provided by the independent registered public accounting firm in connection with engagements for those fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

Audit-Related Fees — This category consists of assurance and related services by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under “Audit Fees.” The services for the fees disclosed under this category include consultation regarding our correspondence with the Securities and Exchange Commission and other accounting consulting.

Tax Fees — This category consists of professional services rendered by our independent registered public accounting firm for tax compliance and tax advice. The services for the fees disclosed under this category include tax return preparation and technical tax advice.

All Other Fees — This category consists of fees for other miscellaneous items.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

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).
3.5	Articles of Amendment to Articles of Incorporation filed with the Secretary of State of Maryland (incorporated herein by reference to Annex A to the Company’s Definitive Information Statement on Schedule 14C as filed with the Commission on October 3, 2014).
4.1	Conversion Agreement dated December 23, 2013 between Scoop Media, Inc. and Global Medical REIT

	Inc. (incorporated herein by reference to Exhibit 4.1 to the Company's Report on Form 10-Q as filed with the Commission on July 21, 2014).
4.2*	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).
10.3+	Management Agreement between Global Medical REIT Inc. and Inter-American Management LLC dated November 10, 2014 (incorporated herein by reference to Exhibit 10.1 to the Company's Report on Form 8-K as filed with the Commission on November 14, 2014).
10.4	Convertible Demand Promissory Note between Global Medical REIT Inc. and HFE USA, LLC dated September 10, 2014 for \$860,000.
10.5	Convertible Demand Promissory Note between Global Medical REIT Inc. and HFE USA, LLC dated September 10, 2014 for \$50,000.
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

+ Management contract or compensatory plan or arrangement.

* Filed herewith

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of this Transition 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 Section 13 or 15(d) 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.

Global Medical REIT Inc.

Dated: March 20, 2015

By: /s/ David A. Young

David A. Young

Chief Executive Officer (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ David A. Young</u> David A. Young	Chief Executive Officer (Principal Executive Officer) and Director	March 20, 2015
<u>/s/ Donald McClure</u> Donald McClure	Chief Financial Officer (Principal Financial and Accounting Officer)	March 20, 2015
<u>/s/ Conn Flanigan</u> Conn Flanigan	Secretary and Director	March 20, 2015
<u>/s/ Jeffrey Busch</u> Jeffrey Busch	Director	March 20, 2015
<u>/s/ Fai H. Chan</u> Fai H. Chan	Director	March 20, 2015
<u>/s/ Tong Wan Chan</u> Tong Wan Chan	Director	March 20, 2015

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY APPLICABLE STATE SECURITIES LAWS. IT MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITY UNDER SUCH ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE BORROWER THAT SUCH REGISTRATION IS NOT REQUIRED.

GLOBAL MEDICAL REIT, INC.

CONVERTIBLE DEMAND PROMISSORY NOTE

\$860,000.00

September 10, 2014

FOR VALUE RECEIVED, the undersigned, **GLOBAL MEDICAL REIT, INC.**, a Maryland corporation, hereby promises to pay to the order of **HFE USA, LLC.** (together with its successors and permitted assigns, the “Lender”), at 1601 Blake Street, Suite 310, Denver, CO 80202 or at such other place as may be designated from time to time in writing by the Lender, in lawful money of the United States of America, without setoff and in immediately available funds, on demand, the principal sum of EIGHT HUNDRED SIXTY THOUSAND AND 00/100 DOLLARS (\$860,000.00), together with interest thereon from the date of this Convertible Demand Promissory Note (this “Note”). All amounts due under this note shall be paid on or before September 10, 2015. Interest on the outstanding balance of this Note shall accrue at a rate of eight percent (8.00%) per annum, compounded annually, and shall be payable in accordance with the terms of this Note.

1. Payment. The Borrower shall be entitled to prepay or repay all or any portion of this Note at any time, without premium or penalty. Payment of interest shall be made in cash annually in arrears on September 10, 2015. Interest shall be calculated on the basis of actual number of days elapsed over a year of three hundred sixty (360) days. If not sooner paid or converted pursuant to Section 2, the entire unpaid principal balance of this Note and all unpaid accrued interest shall be due and payable in full on demand by the Lender, and all unpaid amounts still owing on September 10, 2015, shall be payable that day. All payments made by the Borrower shall be applied first, to any unpaid accrued costs and expenses incurred by the Lender in connection with this Note, second, to any unpaid accrued interest and third, to the outstanding principal of this Note.

2. Conversion. (a) At the election of the Lender, the entire outstanding balance of this Note will be converted into common stock of the Borrower on the last day of any calendar quarter (a “Conversion Date”). The Lender shall provide the Borrower with written notice of its conversion election at least twenty days prior to the applicable Conversion Date. The number of shares of common stock of the Borrower issuable upon conversion pursuant to this Section 2 shall be equal to the amount of the outstanding balance of this Note, together with accrued but unpaid interest thereon, on the applicable Conversion Date divided by the Conversion Price. The “Conversion Price” means \$12.748. Upon conversion of this Note in accordance with this Section 2, the Borrower shall be forever released from all of its obligations and liabilities with respect to this Note.

(b) Adjustments. The Conversion Price shall be subject to adjustment from time to time as follows:

(i) Adjustments for Subdivisions, Combinations or Consolidation of Common Stock. In the event the outstanding shares of Common Stock of Borrower shall be subdivided by stock split, stock dividends or otherwise, into a greater number of shares of Common Stock, the Conversion Price then in effect with respect to the Common Shares shall, concurrently with the effectiveness of such subdivision, be proportionately decreased so that the number of shares of Common Stock issuable on conversion of any or all of the Note shall be increased in proportion to such increase in outstanding shares. In the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, the Conversion Price then in effect with respect to the Note shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased so that the number of shares of Common Stock issuable on conversion of any or all of the Note shall be decreased in proportion to such decrease in outstanding shares.

(ii) Adjustments for Reclassification, Exchange and Substitution. If the Common Stock issuable upon conversion of any or all of the Note shall be changed into the same or a different number of shares of any other class or classes of stock or into any other securities or property, whether by capital reorganization, reclassification, merger, combination of shares, recapitalization, consolidation, business combination or other similar transaction (other than a subdivision or combination of shares provided for above), the Note shall thereafter be convertible into the number of shares of stock or other securities or property to which a holder of the number of shares of Common Stock of the Borrower deliverable upon conversion of such Note shall have been entitled to upon such transaction. The provisions of this section on Adjustments shall similarly apply to successive capital reorganizations, reclassifications, mergers, combinations of shares, recapitalizations, consolidations, business combinations or other similar transactions.

(iii) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to an Adjustment, the Borrower at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to the Noteholder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based and the Conversion Price then in effect. The Borrower shall, upon the written request at any time by any Noteholder, furnish or cause to be furnished to such Noteholder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property that at the time would be received upon the conversion of such holder's Note.

(iv) Rounding. All calculations under this Section shall be made to (a) the nearest one hundredth of one cent or (b) the nearest share or (c) the nearest one hundredth of one percent, as the case may be.

(v) The Borrower shall at all times reserve and keep available for issuance upon the conversion of the Note the maximum number of each of its authorized but unissued shares of Common Stock of the Borrower as is reasonably anticipated to be sufficient to permit the conversion of the Note, and shall take all action required to increase the authorized number of shares of Common Stock of Borrower, or any other actions necessary or desirable, if at any time there shall be insufficient authorized but unissued shares of Common Stock of Borrower to permit such reservation or to permit the conversion of the Note.

3. Default and Remedies. If the Borrower shall (i) default in the payment of any amount within five days after the due date thereof or (ii) fail to perform or observe any term or agreement contained in Section 2, then an "Event of Default" shall exist. Without limiting the Lender's rights under Section 2, upon the occurrence of an Event of Default and during the continuation thereof, the Lender may declare this Note to be due and payable, and the Lender may exercise and shall have any and all rights and remedies

available to it under applicable law and this Note or otherwise and may take any such action and exercise any such power as it may elect to enforce its rights and remedies under applicable law and this Note. No right or remedy herein conferred upon the Lender is intended to be exclusive of any other right or remedy contained herein, and every such right or remedy contained herein or now or hereafter existing at law or in equity or by statute, or otherwise may be exercised separately or in any combination.

4. Assignment. The rights and obligations of the Borrower and the Lender shall be binding upon and inure to the benefit of the permitted successors, assigns and transferees of the parties hereto, provided that no transfer or assignment by either the Borrower or the Lender shall be effective without the consent of the other party (which consent may be withheld in the sole and absolute discretion).

5. Amendment. No amendment or waiver of any provision of this Note, or consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Borrower and the Lender, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. Waiver. No waiver of any obligation of the Borrower under this Note shall be effective unless it is in a writing signed by the Lender. A waiver by the Lender of any right or remedy under this Note on any occasion shall not be a bar to exercise of the same right or remedy on any subsequent occasion or of any other right or remedy at any time. The Borrower hereby expressly waives presentment, demand, and protest, notice of demand, dishonor and nonpayment of this Note, and all other notices or demands of any kind in connection with the delivery, acceptance, performance, default or enforcement hereof, except as expressly provided for herein.

7. Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, facsimile, electronic mail, courier service or personal delivery to:

Conn Flanigan
Global Medical REIT Inc.,
1601 Blake Street, Suite 310
Denver, CO 80202

and
for HFE USA, LLC
Frankie Wong
Heng Fai Enterprises Ltd.
24/F Wyndham Place
40-44 Wyndham Street
Central Hong Kong

8. Governing Law; Venue. This Note is delivered in and shall be enforceable in accordance with the laws of the State of Maryland (other than its conflict of laws principles) and shall be construed in accordance therewith. THE BORROWER SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF MARYLAND, IN CONNECTION WITH ANY ACTION OR OTHER PROCEEDING RELATED TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE BORROWER IRREVOCABLY WAIVES AND AGREES NOT TO MAKE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE JURISDICTION OF ANY SUCH COURT OR TO THE LAYING OF VENUE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH ACTION OR

PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. The Borrower hereby waives, to the fullest extent permitted by law, any right to stay or dismiss any action or proceeding under or in connection with this Note brought before the foregoing courts on the basis of (i) any claim that such party is not personally subject to the jurisdiction of the above-named courts for any reason, or that it or any of its property is immune from the above-described legal process, (ii) that such action or proceeding is brought in an inconvenient forum, that venue for the action or proceeding is improper or that this Note may not be enforced by such courts, or (iii) any other defense that would hinder the levy, execution or collection of any amount to which any party is entitled pursuant to any final judgment of any court having jurisdiction.

9. Severability. In the event any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Note operate or would prospectively operate to invalidate this Note, then and in any such event, such provision(s) only shall be deemed null and void and shall not affect any other provision of this Note and the remaining provisions of this Note shall remain operative and in full force and effect and in no way shall be affected, prejudiced or disturbed thereby.

10. No Personal Liability; No Joint Venture. Neither the officers or the directors of the Borrower, nor any person executing this Note on behalf of the Borrower, shall be liable personally or be subject to any personal liability or accountability with respect to the obligations of the Borrower under this Note by reason of the execution of this Note. Nothing contained in this Note shall be deemed or construed to have the effect of creating between the Borrower and the Lender the relationship of principal or agent, or of a partnership or a joint venture.

11. WAIVER OF JURY TRIAL. THE BORROWER AND THE LENDER EACH HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). THE BORROWER AND THE LENDER EACH CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE LENDER OR THE BORROWER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT IT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER.

12. Headings. The headings contained in this Note are solely for the convenience of the Lender and the Borrower and shall not be used or relied upon in any manner in the construction or interpretation of this Note.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the Borrower has caused its duly authorized officer to execute this Convertible Demand Promissory Note as of the date first written above.

GLOBAL MEDICAL REIT, INC.

By: /s/ Conn Flanigan
Name: Conn Flanigan
Title: Secretary

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY APPLICABLE STATE SECURITIES LAWS. IT MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITY UNDER SUCH ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE BORROWER THAT SUCH REGISTRATION IS NOT REQUIRED.

GLOBAL MEDICAL REIT, INC.

CONVERTIBLE DEMAND PROMISSORY NOTE

\$50,000.00

September 10, 2014

FOR VALUE RECEIVED, the undersigned, **GLOBAL MEDICAL REIT, INC.**, a Maryland corporation, hereby promises to pay to the order of **HFE USA, LLC**. (together with its successors and permitted assigns, the “Lender”), at 1601 Blake Street, Suite 310, Denver, CO 80202 or at such other place as may be designated from time to time in writing by the Lender, in lawful money of the United States of America, without setoff and in immediately available funds, on demand, the principal sum of FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00), together with interest thereon from the date of this Convertible Demand Promissory Note (this “Note”). All amounts due under this note shall be paid on or before September 10, 2015. Interest on the outstanding balance of this Note shall accrue at a rate of eight percent (8.00%) per annum, compounded annually, and shall be payable in accordance with the terms of this Note.

1. Payment. The Borrower shall be entitled to prepay or repay all or any portion of this Note at any time, without premium or penalty. Payment of interest shall be made in cash annually in arrears on September 10, 2015. Interest shall be calculated on the basis of actual number of days elapsed over a year of three hundred sixty (360) days. If not sooner paid or converted pursuant to Section 2, the entire unpaid principal balance of this Note and all unpaid accrued interest shall be due and payable in full on demand by the Lender, and all unpaid amounts still owing on September 10, 2015, shall be payable that day. All payments made by the Borrower shall be applied first, to any unpaid accrued costs and expenses incurred by the Lender in connection with this Note, second, to any unpaid accrued interest and third, to the outstanding principal of this Note.

2. Conversion. (a) At the election of the Lender, the entire outstanding balance of this Note will be converted into common stock of the Borrower on the last day of any calendar quarter (a “Conversion Date”). The Lender shall provide the Borrower with written notice of its conversion election at least twenty days prior to the applicable Conversion Date. The number of shares of common stock of the Borrower issuable upon conversion pursuant to this Section 2 shall be equal to the amount of the outstanding balance of this Note, together with accrued but unpaid interest thereon, on the applicable Conversion Date divided by the Conversion Price. The “Conversion Price” means \$12.748. Upon conversion of this Note in accordance with this Section 2, the Borrower shall be forever released from all of its obligations and liabilities with respect to this Note.

(b) Adjustments. The Conversion Price shall be subject to adjustment from time to time as follows:

(i) Adjustments for Subdivisions, Combinations or Consolidation of Common Stock. In the event the outstanding shares of Common Stock of Borrower shall be subdivided by stock split, stock dividends or otherwise, into a greater number of shares of Common Stock, the Conversion Price then in effect with respect to the Common Shares shall, concurrently with the effectiveness of such subdivision, be proportionately decreased so that the number of shares of Common Stock issuable on conversion of any or all of the Note shall be increased in proportion to such increase in outstanding shares. In the event the outstanding shares of Common Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Common Stock, the Conversion Price then in effect with respect to the Note shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased so that the number of shares of Common Stock issuable on conversion of any or all of the Note shall be decreased in proportion to such decrease in outstanding shares.

(ii) Adjustments for Reclassification, Exchange and Substitution. If the Common Stock issuable upon conversion of any or all of the Note shall be changed into the same or a different number of shares of any other class or classes of stock or into any other securities or property, whether by capital reorganization, reclassification, merger, combination of shares, recapitalization, consolidation, business combination or other similar transaction (other than a subdivision or combination of shares provided for above), the Note shall thereafter be convertible into the number of shares of stock or other securities or property to which a holder of the number of shares of Common Stock of the Borrower deliverable upon conversion of such Note shall have been entitled to upon such transaction. The provisions of this section on Adjustments shall similarly apply to successive capital reorganizations, reclassifications, mergers, combinations of shares, recapitalizations, consolidations, business combinations or other similar transactions.

(iii) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to an Adjustment, the Borrower at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to the Noteholder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based and the Conversion Price then in effect. The Borrower shall, upon the written request at any time by any Noteholder, furnish or cause to be furnished to such Noteholder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property that at the time would be received upon the conversion of such holder's Note.

(iv) Rounding. All calculations under this Section shall be made to (a) the nearest one hundredth of one cent or (b) the nearest share or (c) the nearest one hundredth of one percent, as the case may be.

(v) The Borrower shall at all times reserve and keep available for issuance upon the conversion of the Note the maximum number of each of its authorized but unissued shares of Common Stock of the Borrower as is reasonably anticipated to be sufficient to permit the conversion of the Note, and shall take all action required to increase the authorized number of shares of Common Stock of Borrower, or any other actions necessary or desirable, if at any time there shall be insufficient authorized but unissued shares of Common Stock of Borrower to permit such reservation or to permit the conversion of the Note.

3. Default and Remedies. If the Borrower shall (i) default in the payment of any amount within five days after the due date thereof or (ii) fail to perform or observe any term or agreement contained in Section 2, then an "Event of Default" shall exist. Without limiting the Lender's rights under Section 2, upon the occurrence of an Event of Default and during the continuation thereof, the Lender may declare this Note to be due and payable, and the Lender may exercise and shall have any and all rights and remedies

available to it under applicable law and this Note or otherwise and may take any such action and exercise any such power as it may elect to enforce its rights and remedies under applicable law and this Note. No right or remedy herein conferred upon the Lender is intended to be exclusive of any other right or remedy contained herein, and every such right or remedy contained herein or now or hereafter existing at law or in equity or by statute, or otherwise may be exercised separately or in any combination.

4. Assignment. The rights and obligations of the Borrower and the Lender shall be binding upon and inure to the benefit of the permitted successors, assigns and transferees of the parties hereto, provided that no transfer or assignment by either the Borrower or the Lender shall be effective without the consent of the other party (which consent may be withheld in the sole and absolute discretion).

5. Amendment. No amendment or waiver of any provision of this Note, or consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Borrower and the Lender, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6. Waiver. No waiver of any obligation of the Borrower under this Note shall be effective unless it is in a writing signed by the Lender. A waiver by the Lender of any right or remedy under this Note on any occasion shall not be a bar to exercise of the same right or remedy on any subsequent occasion or of any other right or remedy at any time. The Borrower hereby expressly waives presentment, demand, and protest, notice of demand, dishonor and nonpayment of this Note, and all other notices or demands of any kind in connection with the delivery, acceptance, performance, default or enforcement hereof, except as expressly provided for herein.

7. Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, facsimile, electronic mail, courier service or personal delivery to:

Conn Flanigan
Global Medical REIT Inc.,
1601 Blake Street, Suite 310
Denver, CO 80202

and
for HFE USA, LLC
Frankie Wong
Heng Fai Enterprises Ltd.
24/F Wyndham Place
40-44 Wyndham Street
Central Hong Kong

8. Governing Law; Venue. This Note is delivered in and shall be enforceable in accordance with the laws of the State of Maryland (other than its conflict of laws principles) and shall be construed in accordance therewith. THE BORROWER SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF MARYLAND, IN CONNECTION WITH ANY ACTION OR OTHER PROCEEDING RELATED TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY. THE BORROWER IRREVOCABLY WAIVES AND AGREES NOT TO MAKE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE JURISDICTION OF ANY SUCH COURT OR TO THE LAYING OF VENUE OF ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH ACTION OR

PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. The Borrower hereby waives, to the fullest extent permitted by law, any right to stay or dismiss any action or proceeding under or in connection with this Note brought before the foregoing courts on the basis of (i) any claim that such party is not personally subject to the jurisdiction of the above-named courts for any reason, or that it or any of its property is immune from the above-described legal process, (ii) that such action or proceeding is brought in an inconvenient forum, that venue for the action or proceeding is improper or that this Note may not be enforced by such courts, or (iii) any other defense that would hinder the levy, execution or collection of any amount to which any party is entitled pursuant to any final judgment of any court having jurisdiction.

9. Severability. In the event any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Note operate or would prospectively operate to invalidate this Note, then and in any such event, such provision(s) only shall be deemed null and void and shall not affect any other provision of this Note and the remaining provisions of this Note shall remain operative and in full force and effect and in no way shall be affected, prejudiced or disturbed thereby.

10. No Personal Liability; No Joint Venture. Neither the officers or the directors of the Borrower, nor any person executing this Note on behalf of the Borrower, shall be liable personally or be subject to any personal liability or accountability with respect to the obligations of the Borrower under this Note by reason of the execution of this Note. Nothing contained in this Note shall be deemed or construed to have the effect of creating between the Borrower and the Lender the relationship of principal or agent, or of a partnership or a joint venture.

11. WAIVER OF JURY TRIAL. THE BORROWER AND THE LENDER EACH HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS NOTE OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). THE BORROWER AND THE LENDER EACH CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE LENDER OR THE BORROWER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT IT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER.

12. Headings. The headings contained in this Note are solely for the convenience of the Lender and the Borrower and shall not be used or relied upon in any manner in the construction or interpretation of this Note.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the Borrower has caused its duly authorized officer to execute this Convertible Demand Promissory Note as of the date first written above.

GLOBAL MEDICAL REIT, INC.

By: /s/ Conn Flanigan
Name: Conn Flanigan
Title: Secretary

CERTIFICATIONS

I, David A. Young, certify that:

1. I have reviewed this Transition Report on Form 10-K for the four month period ended December 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 in order 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 and results of operations of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the 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 control over financial reporting.

Dated: March 20, 2015

/s/ David A. Young

David A. Young, Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Donald McClure, certify that:

1. I have reviewed this Transition Report on Form 10-K for the four month period ended December 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 in order 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 and results of operations of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the 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 control over financial reporting.

Dated: March 20, 2015 /s/ Donald McClure

Donald McClure, Chief Financial Officer
(Principal Financial and Accounting Officer)

Section 1350 Certification of Chief Executive Officer and Chief Financial Officer

In connection with the Transition Report on Form 10-K of Global Medical REIT Inc. (the “Company”) for the four month period ended December 31, 2014 as filed with the Securities and Exchange Commission (the “Report”), I, David A. Young, Chief Executive Officer and I, Donald McClure, 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, that, 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: March 20, 2015

/s/ David A. Young

David A. Young, Chief Executive Officer
(Principal Executive Officer)

Dated: March 20, 2015

/s/ Donald McClure

Donald McClure, Chief Financial Officer
(Principal Financial and Accounting Officer)

This certification accompanies this Transition Report on Form 10-K 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.