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

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SEC FILE NUMBER 8-43264

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/12 AND ENDING 12/31/12 MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Maybank Kim Eng Securities USA, Inc.

OFFICIAL USE ONLY FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

777 3RD AVENUE, 21ST FL

(No. and Street)

New York

New York

10017-1401

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Jessica Kim

(212) 688-8886

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Cohen & Schaeffer, P.C.

(Name - if individual, state last, first, middle name)

420 Lexington Avenue, Suite 2450 New York

New York

10170

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- [X] Certified Public Accountant [ ] Public Accountant [ ] Accountant not resident in United States or any of its possessions.

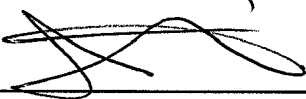
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\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

**OATH OR AFFIRMATION**

I, **Jessica Kim**, affirm that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of **Maybank Kim Eng Securities USA, Inc.** (the "Company") as of and for the year ended **December 31, 2012**, are true and correct. I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.

  
\_\_\_\_\_  
Signature  
**CFO**  
\_\_\_\_\_  
Title

Subscribe and Sworn to, before me  
On this 21 day of Feb 2013

  
\_\_\_\_\_  
Notary Public

**SHENGYU CAO**  
Notary Public, State of New York  
No. 01CA6246104  
Qualified in New York County  
Commission Expires 08-08-15

**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of**  
**Maybank Kim Eng Holdings Limited)**  
**(S.E.C. I.D. No. 8-43264)**

**Report Pursuant to Rule 17a-5(d) and**  
**Independent Auditors' Report**

**December 31, 2012**

**COHEN &**  
**SCHAEFFER**  
**PC.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of**  
**Maybank Kim Eng Holdings Limited)**  
**(S.E.C. I.D. No. 8-43264)**

**Report Pursuant to Rule 17a-5(d) and**  
**Independent Auditors' Report**

**December 31, 2012**

**COHEN &**  
**SCHAEFFER**  
**CERTIFIED PUBLIC ACCOUNTANTS P.C.**

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**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

# COHEN & SCHAEFFER

P.C.

CERTIFIED PUBLIC ACCOUNTANTS

420 LEXINGTON AVENUE

SUITE 2450

NEW YORK, NY 10170

PHONE: (212) 972-6490

FAX: (212) 687-2705

## Independent Auditors' Report

**Board of Directors  
Maybank Kim Eng Securities USA, Inc.**

### Report on the Financial Statements

We have audited the accompanying statement of financial condition of Maybank Kim Eng Securities USA, Inc., a wholly-owned subsidiary of Maybank Kim Eng Holdings Limited (the "Company") as of December 31, 2012 and the related statements of operations, changes in shareholder's equity, changes in subordinated borrowings and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934 and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maybank Kim Eng Securities USA, Inc. as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Cohen & Schaeffer P.C.*

New York, New York

February 25, 2013

**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Statement of Financial Condition**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

**Assets**

|  |           |                         |
|--|-----------|-------------------------|
| Cash   | \$        | 1,784,865               |
| Receivable from clearing broker (Parent Company)           |           | 83,810                  |
| Receivable from affiliates (Note 3)                        |           | 252,268                 |
| Furniture, equipment, software and motor vehicles (Note 7) |           | 268,600                 |
| Income taxes receivable                                    |           | 11,710                  |
| Prepaid expenses and other receivables                     |           | 69,530                  |
| Other Assets   |           | <u>86,870</u>           |
| <b>Total assets</b>  | <b>\$</b> | <b><u>2,557,653</u></b> |

**Liabilities and Shareholder's Equity**

|   |           |                         |
|---|-----------|-------------------------|
| <b>Liabilities</b>  |           |                         |
| Accrued compensation  | \$        | 320,545                 |
| Accounts payable and other liabilities  |           | 295,280                 |
| Deferred Rent   |           | <u>29,989</u>           |
| <b>Total liabilities</b>  | <b>\$</b> | <b><u>645,814</u></b>   |
| <b>Commitments, Contingencies (Note 10)</b>   |           |                         |
| Subordinate loan (Note 10)  |           | <u>-</u>                |
| <b>Shareholder's equity</b>   |           |                         |
| Common stock, voting, par value \$1; authorized, issued<br>and outstanding, 10 shares | \$        | 10                      |
| Additional paid-in capital  |           | 12,499,990              |
| Accumulated deficit   |           | <u>(10,588,161)</u>     |
| <b>Total shareholder's equity</b>   |           | <b><u>1,911,839</u></b> |
| <b>Total liabilities and shareholder's equity</b>                                     | <b>\$</b> | <b><u>2,557,653</u></b> |

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



**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Statement of Operations**  
**Year Ended December 31, 2012**  
**(Expressed in United States Dollars)**

|   |                       |
|---|-----------------------|
| <b>Revenues:</b>                                  |                       |
| <b>Brokerage commissions</b>                      | <b>\$ 6,325,680</b>   |
| <b>Research Income</b>                            | <b>232,341</b>        |
| <b>Other Income</b>                               | <b>71,343</b>         |
| <b>Interest income</b>                            | <b>7,457</b>          |
|   | <hr/>                 |
| <b>Total revenues</b>                             | <b>\$ 6,636,821</b>   |
| <br>  |                       |
| <b>Expenses</b>                                   |                       |
| <b>Commissions and clearance</b>                  | <b>\$ 3,142,260</b>   |
| <b>Compensation</b>                               | <b>3,576,645</b>      |
| <b>Communication/information services</b>         | <b>797,532</b>        |
| <b>Occupancy</b>                                  | <b>208,741</b>        |
| <b>Travel and entertainment</b>                   | <b>561,976</b>        |
| <b>Professional fees</b>                          | <b>123,701</b>        |
| <b>FINRA FEE</b>                                  | <b>33,436</b>         |
| <b>SIPC FEE</b>                                   | <b>15,933</b>         |
| <b>Other</b>                                      | <b>575,992</b>        |
|   | <hr/>                 |
| <b>Total expenses</b>                             | <b>\$ 9,036,216</b>   |
| <br>  |                       |
| <b>Net loss before provision for income taxes</b> | <b>(2,399,395)</b>    |
| <br>  |                       |
| <b>Provision for income taxes (Note 6)</b>        | <b>-</b>              |
|   | <hr/>                 |
| <b>Net loss</b>                                   | <b>\$ (2,399,395)</b> |

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

**KIM ENG SECURITIES USA, INC.**  
**(A wholly-owned subsidiary of Kim Eng Holdings Limited)**

**Statement of Changes in Shareholder's Equity**  
**Year Ended December 31, 2012**  
**(Expressed in United States Dollars)**

|  | <u>Common<br/>stock</u> | <u>Additional<br/>paid-in<br/>capital</u> | <u>Accumulated<br/>deficit</u> | <u>Total</u>        |
|--|-------------------------|---|--------------------------------|---------------------|
| Shareholder's equity<br>- at December 31, 2011 | \$ 10                   | \$ 9,499,990                              | \$ (8,188,766)                 | \$ 1,311,234        |
| Additional Paid In Capital                     |                         | 3,000,000                                 |                                | 3,000,000           |
| Net loss                                       |                         |   | <u>(2,399,395)</u>             | <u>(2,399,395)</u>  |
| Shareholder's equity<br>- at December 31, 2012 | <u>\$ 10</u>            | <u>\$ 12,499,990</u>                      | <u>\$ (10,588,161)</u>         | <u>\$ 1,911,839</u> |

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

**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Statement of Changes in Cash Flows**  
**Year Ended December 31, 2012**  
**(Expressed in United States Dollars)**

|  |                        |
|--|------------------------|
| <b>Cash flows from operating activities</b>  |                        |
| <b>Net Loss</b>  | \$ (2,399,395)         |
| <b>Adjustments to reconcile net loss to net cash used in operating activities:</b> |                        |
| <b>Depreciation</b>  | 57,189                 |
| <b>Decrease (increase) in operating assets</b>                                     |                        |
| <b>Receivable from clearing broker</b>   | (19,058)               |
| <b>Receivable from affiliates</b>  | (105,823)              |
| <b>Prepaid expenses and other receivables</b>                                      | 131,794                |
| <b>Prepaid income taxes</b>  | (788)                  |
| <b>Security Deposit</b>  | (86,870)               |
| <b>Increase (decrease) in operating liabilities</b>                                |                        |
| <b>Accrued compensation</b>  | (148,836)              |
| <b>Accounts payable and other liabilities</b>                                      | 146,652                |
| <b>Deferred Rent</b>   | 9,300                  |
|  | <hr/>                  |
| <b>Net cash used in operating activities</b>                                       | <b>(2,415,835)</b>     |
| <br>   |                        |
| <b>Cash flows from investing activities</b>  |                        |
| <b>Purchase of property and equipment</b>  | (47,017)               |
|  | <hr/>                  |
| <b>Net cash used in investing activities</b>                                       | <b>(47,017)</b>        |
| <br>   |                        |
| <b>Cash flows from financing activities</b>  |                        |
| <b>Repayment of subordinated loan</b>  | (3,000,000)            |
| <b>Additonal paid in capital</b>   | 3,000,000              |
|  | <hr/>                  |
| <b>Net cash used in financing activities</b>                                       | -                      |
| <br>   |                        |
| <b>Net cash decrease</b>   | <b>(2,462,852)</b>     |
| <br>   |                        |
| <b>Cash at beginning of year</b>   | <hr/> <b>4,247,717</b> |
| <br>   |                        |
| <b>Cash at end of year</b>   | <b>\$ 1,784,865</b>    |
|  | <hr/> <hr/>            |
| <br>   |                        |
| <b>Income taxes paid during the year</b>   | <b>\$ -</b>            |
| <b>Interest paid during the year</b>   | <b>\$ 19,167</b>       |
|  | <hr/> <hr/>            |

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

**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Statement of Changes in Subordinated Borrowings**  
**Year Ended December 31, 2012**  
**(Expressed in United States Dollars)**

|                              | <u>Total</u>       |
|------------------------------|--------------------|
| Balance, beginning of period | \$ 3,000,000       |
| Increase/(Decrease)          | <u>(3,000,000)</u> |
| Balance, end of year         | <u>\$ -</u>        |

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

**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

**Note 1 - General Business**

Maybank Kim Eng Securities USA, Inc. (the "Company"), a wholly-owned subsidiary of Maybank Kim Eng Holdings Limited, a Singapore Registered Corporation (the "Parent"), is registered with the Securities and Exchange Commission (the "SEC") as a broker-dealer and is a member of the Financial Industry Regulatory Authority, and is a member of the Securities Investor Protection Corporation (SIPC).

The Company engages primarily in the introduction of securities from Singapore, Korea, Indonesia, Malaysia, Philippines, Thailand, Hong Kong, Taiwan, Japan, Vietnam, Sri Lanka, Bangladesh, India ("Asian-based") and Australia through its affiliates who are licensed to buy and sell such securities to U.S. institutional customers on a delivery and/or receipt versus payment basis. The Company's results of operations and financial condition are affected by general trends in the Asian-based economy, Australia and financial markets.

The Company's commissions from customers are collected by the Parent from other related entities and remitted to the Company on a monthly basis.

The Parent has agreed to provide funding to support the Company if necessary.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). These financial statements were approved by management and available for issuance on February 25, 2013.

The significant accounting policies followed in the preparation of the financial statements, on a consistent basis are:

**1. Securities Transactions**

The Company records securities transactions executed for its customers on a trade-date basis. Revenues and expenses from these transactions are recorded on a trade-date basis. Transactions denominated in a foreign currency are translated into United States dollars at the prevailing rates on the trade date.

**2. Research Income**

Research income represents monies for research services provided.

**3. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions in determining the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

**Note 2 - Significant Accounting Policies (continued)**

**4. Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation. Additions, renovations, and improvements are capitalized. Maintenance and repairs which do not extend asset lives are expensed as incurred. Depreciation is provided on the straight-line method over the estimated useful lives of the related assets, or in the case of leasehold improvements, over the lesser of the useful life of the related asset or the lease term, which is approximately three to ten years.

**5. Income taxes**

The Company accounts for income taxes in accordance with ASC 740, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

**Note 3 - Related Party Transactions**

The Parent and affiliated companies with common ownership provide 70% of all execution, and research and settlement services to the Company. Gross commissions from customer transactions are collected by affiliated companies and are remitted monthly to the Company net of commissions and clearance, and research and settlement fees. At December 31, 2012, receivable from affiliates of \$252,268 represents net commissions due from Maybank Kim Eng Securities Singapore for customer securities transactions. The total commission paid to affiliates during the year ended December 31, 2012 was \$2,422,710.

**Note 4 - Employee Benefit Plan**

The Company sponsors a SEP/IRA savings plan in accordance with IRS regulations. All eligible employees, as defined, may elect to contribute to the plan. The Company matches 100% of the maximum allowable contributions made by employees. The Company's contribution was approximately \$73,500 for the year ended December 31, 2012.

**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

**Note 5 - Fair Value Measurement**

ASC 820-10 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or in the absence of a principal market the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by ASC 820-10, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs (other than quoted prices included in Level 1) that are either directly or indirectly observable for the asset or liability.

Level 3 - Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Assumptions include those of risk, both the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

An instrument's categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation.

As of December 31, 2012, the only financial instrument owned by the Company is cash and due to the short term nature has been classified as Level 1.

**Note 6 - Income Taxes**

The income tax provision for the year ended December 31, 2012 consisted of the following:

|                          |             |
|--------------------------|-------------|
| <b>Current:</b>          |             |
| Federal                  | \$ -        |
| State and local          | -           |
|                          | <hr/>       |
|                          | -           |
| <b>Deferred:</b>         |             |
| Federal, state and local | -           |
|                          | <hr/>       |
|                          | -           |
| <b>Total tax benefit</b> | <b>\$ -</b> |

**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

**Note 6 – Income Taxes (continued)**

A reconciliation of the statutory income tax provision to the effective tax provision is as follows:

|   |                    |
|---|--------------------|
| Tax benefit provision at statutory rate (34%) | \$ 815,794         |
| State tax-net of federal tax benefit          | -                  |
| Valuation allowance                           | <u>(815,794)</u>   |
|   | \$ <u><u>-</u></u> |

The major sources of temporary differences and their deferred tax effect at December 31, 2012 are as follows:

|                            |                    |
|----------------------------|--------------------|
| Deferred tax asset         |                    |
| Net operating loss benefit | \$ 5,440,787       |
| Depreciation               | 39,400             |
| Less valuation allowance   | <u>(5,480,187)</u> |
| Net deferred tax asset     | \$ <u><u>-</u></u> |

The Company has provided a valuation allowance to fully offset the amount of the net deferred asset due to continued operating losses. Management's conclusion is that it is not more likely than not that the Company would be able to fully realize its deferred tax assets in the immediate future.

The Company has available, at December 31, 2012, unused operating losses carry-forward of \$12,030,984, which may be applied against future taxable income expiring in various years from 2012 through 2032.

The Company follows the provisions of accounting for uncertainty in income taxes which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on the recognition, classification, recording of interest and penalties, and requires certain disclosures. The Company has reviewed its income tax positions and has determined that no uncertain tax items exist as of the financial statement date.

The Company files Federal, New York State, New York City and California income tax returns as a C corporation. For Federal, New York State, New York City and California tax examination purposes, December 2009 to December 2011 are open years based upon a three year statute of limitations.



**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

**Note 7 - Fixed Assets**

Details of equipment, automobile and computer software are as follows:

|                                |    |                  |
|--------------------------------|----|------------------|
| Leasehold improvements         | \$ | 112,007          |
| Office equipment               |    | 34,141           |
| Furniture and fittings         |    | 126,211          |
| Computer equipment             |    | 56,271           |
| Computer software              |    | 51,822           |
|                                |    | <u>380,453</u>   |
| Less: accumulated depreciation |    | <u>(111,853)</u> |
|                                | \$ | <u>268,600</u>   |

The depreciation and amortization charged for the year ending December 31, 2012 was \$57,189.

**Note 8 - Off-Balance-Sheet Risk, Concentration Risk and Credit Risk**

In the normal course of business, the Company executes, as agent, transactions on behalf of its customers where the risk of potential loss due to market fluctuations (market risk) or failure of the other party to the transaction to perform (credit risk) exceeds the amounts recorded for the transactions. Should counterparty not fulfill its obligations in any of these transactions, the Company may be required to buy or sell the securities at prevailing market prices in the future on behalf of their customers. One customer represents 12% of the Company's revenue.

The Company's policy is to continuously monitor its exposure to market and counter-party risk through the use of a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the credit standing of each customer and/or other counterparty with which it conducts business.

The Company maintains cash balances at a regulated financial institution in excess of FDIC-insured limits \$250,000. However, the Company does believe that these amounts are exposed to significant risk and are considering steps to address this risk.

**Note 9 - Net Capital Requirements**

As a registered broker-dealer the Company is subject to the Uniform Net Capital Rule 15c3-1 of the Securities and Exchange Commission, which requires that the Company maintain minimum net capital, as defined, to be 6-2/3% of aggregate indebtedness or \$250,000 whichever is greater. At December 31, 2012, the Company had net capital of \$1,138,452 which exceeded requirements by \$888,452. The ratio of aggregate indebtedness to net capital was .57 to 1.

**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

**Note 10 - Commitments**

**a. Office leases**

The Company has a long-term operating lease for office space expiring in March 2018.

The future annual minimum lease payments due under this operating lease that have a remaining non-cancelable term in excess of one year are as follows:

|      |                            |
|------|----------------------------|
| 2013 | 189,881                    |
| 2014 | 193,466                    |
| 2015 | 202,239                    |
| 2016 | 207,776                    |
| 2017 | <u>264,896</u>             |
|      | \$ <u><u>1,058,258</u></u> |

The total rent inclusive of other occupancy charges paid in New York and California for the year ended December 31, 2012 is \$208,741.

The Company also has an agreement to lease office space in San Francisco, California for a monthly payment of \$2,200.

A Certificate of deposit of approximately \$87,000 pledge to a third party to collateralize a letter of credit related to a security deposit.

**b. Subordinated loan**

The Company obtained a subordinated loan from its parent company during the year ended December 31, 2010 for a principal amount of \$3,000,000 at an interest rate of 1% per annum. On August 17, 2012 FINRA approved the conversion from a subordinated loan to equity in the form of additional paid in capital.

The amount of interest payable on this loan during the year ended December 31, 2012 was \$19,167.

**Note 11 – Exemption from Rule 15c3-3**

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission under paragraphs k(2)(i) and k(2)(ii) of that Rule.

**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Notes to Financial Statements**  
**As of December 31, 2012**  
**(Expressed in United States Dollars)**

**Note 12- Customer transactions**

In the normal course of business, the Company effects, in an agent capacity, transactions on behalf of customers to foreign broker dealers for execution. If these transactions (receive vs. payment or deliver vs. payment) do not settle due to failure to perform by the customer, the Company may be obligated to discharge the obligation of the Customer and, as a result, may incur a loss if the market value of the securities is different from the contract amount. The risk of loss to the company is normally limited to differences in the market value of the securities compared to their contract amounts, plus any failure penalties imposed by the exchange regulations. As of December 31, 2012 there were no losses due to nonperforming parties during the period January 1, 2012 thru December 31, 2012. All open transactions of December 31, 2012 subsequently settled as scheduled in January 2013.

**Note 13 – Subsequent events**

The Company evaluated subsequent events from January 1, 2013 to February 25, 2013, the date of issuance of the financial statements. The Company did not have any significant subsequent events to report.

## **Supplementary Information**

**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Computation of Net Capital for Brokers and Dealers**  
**Pursuant to Rule 15c-3-1 Under the Securities and Exchange Act of 1934**  
**December 31, 2012**  
**(Expressed in United States Dollars)**

|   |                                 |
|---|---------------------------------|
| <b>Total Ownership Equity Per Statement of Financial Condition</b>                                      | <b>\$ <u>1,911,839</u></b>      |
| <b>Total Equity</b>   | <b>1,911,839</b>                |
| <b>Non allowable Assets:</b>  |                                 |
| Receivable from affiliates  | 252,268                         |
| Petty cash  | 600                             |
| Furniture, equipment, software and motor vehicles   | 268,600                         |
| Receivable - Others   | 83,810                          |
| Prepaid expenses  | 64,840                          |
| Prepaid income tax  | 11,710                          |
| Letter of credit  | 86,870                          |
| Other assets  | <u>4,690</u>                    |
| <b>Total non allowable</b>  | <u>773,387</u>                  |
| <b>Net capital before haircuts on securities positions</b>  | <u>1,138,452</u>                |
| <b>Net capital</b>  | <b>1,138,452</b>                |
| <b>Computation of Net Capital Requirement:</b>  |                                 |
| <b>Minimum requirement - the greater of 6-2/3% of aggregate indebtedness of \$ 645,812 or \$250,000</b> | <u>250,000</u>                  |
| <b>Excess net capital</b>   | <b>\$ <u><u>888,452</u></u></b> |
| <b>Computation of Aggregate Indebtedness</b>  |                                 |
| <b>Total Aggregate Indebtedness</b>   | <b>\$ <u><u>645,814</u></u></b> |
| <b>Percentage of aggregate indebtedness of net capital</b>  | <u><u>57%</u></u>               |

There are no differences between the computation required pursuant to Rule 15c-3-1 and the corresponding computation prepared by the Company and included in the Company's amended unaudited Form X-17A-5 Part 11 filing as of December 31, 2012.

**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Computation for Determination of Reserve Requirements and Information Relating to  
Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3.  
December 31, 2012**

**The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission Act of 1934 in that the Company's activities are limited to those set forth under paragraphs k(2)(i) and k(2)(ii) of that Rule.**

# COHEN & SCHAEFFER

P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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FAX: (212) 687-2705

## **Independent Accountants' Report on Applying Agreed-Upon Procedures Related to an Entity's SIPC Assessment Reconciliation**

**To the Board of Directors of  
Maybank Kim Eng Securities USA, Inc.**

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [ General Assessment Reconciliation (Form SIPC-7)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2012, which were agreed to by Maybank Kim Eng Securities USA, Inc and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., SIPC and other designated examining authority, solely to assist you and the other specified parties in evaluating Maybank Kim Eng Securities USA, Inc's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Maybank Kim Eng Securities USA, Inc's management is responsible for the Maybank Kim Eng Securities USA, Inc's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2012, with the amounts reported in Form SIPC-7 for the year ended December 31, 2012, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers noting no differences;
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments noting no differences.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be use by anyone other than those specified parties.

*Cohn & Schaeffer P.C.*

New York, New York  
February 25, 2013



**MAYBANK KIM ENG SECURITIES USA, INC.**  
**(A Wholly-Owned Subsidiary of Maybank Kim Eng Holdings Limited)**

**Schedule of Securities Investor Protection Corporation**  
**Assessments and Payments**  
**For the Year Ended December 31, 2012**  
**(Expressed in United States Dollars)**

|  |                               |
|--|-------------------------------|
| <b>SIPC Net Operating Revenues Per General Assessment<br/>Reconciliation Form SIPC-7</b> | <b>\$ <u>6,373,398</u></b>    |
| <b>General Assessments at .0025</b>  | <b>\$ 15,933</b>              |
| <b>Payment Remitted Form SIPC-6</b>  | <b>\$ <u>(8,219)</u></b>      |
| <b>Amount Due with Form SIPC-7</b>   | <b>\$ <u><u>7,714</u></u></b> |

**COHEN &  
SCHAEFFER**

P.C.

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**Independent Auditors' Report on Internal Controls  
Required by SEC Rule 17a-5**

To the Board of Directors of  
Maybank Kim Eng Securities USA, Inc.

In planning and performing our audit of the financial statements and supplementary information of Maybank Kim Eng Securities USA, Inc., a wholly-owned subsidiary of Maybank Kim Eng Holdings Limited (the "Company") as of and for the year ended December 31, 2012 ( on which we issued our report dated February 25, 2013), in accordance with auditing standards generally accepted in the United States of America, we considered the Company's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities. This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgment by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use of

disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

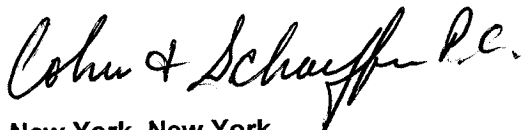
*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

*A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs above and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined previously.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2012 to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the Financial Industry Regulatory Authority and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be, and should not be, used by anyone other than those specified parties.



New York, New York  
February 25, 2013