This study is conducted to identify and analyze the moral values through Malay folklore stories. The values introduced by the author Othman Puteh & Aripin Said were from research, observation, and sensitivity among communities. Therefore, this study uses the book entitled Buku Koleksi Himpunan 366 Cerita Rakyat di Malaysia to identify and analyze the moral values. The moral values in the Malay folklore stories create positive attitude in children. This study uses the Malay Methodology Theory. The results of the study revealed that the Malay folklore stories have given a significant contribution towards moral values among readers in the present and future generations; especially to the children in Malaysia.

**Keyword:** Values; Malay folklore; Children; Malay Methodology Theory