

MALAYSIA FUND INC  
Form N-Q  
November 29, 2010

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

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-05082

**THE MALAYSIA FUND, INC.**  
(Exact name of registrant as specified in charter)

522 Fifth Avenue, New York, New York  
(Address of principal executive offices)

10036  
(Zip code)

Sara Furber

522 Fifth Avenue, New York, New York 10036  
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-296-6963

Date of fiscal year end: 12/31

Date of reporting period: 9/30/10

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**Item 1. Schedule of Investments.**

The Fund's schedule of investments as of the close of the reporting period prepared pursuant to Rule 12-12 of Regulation S-X is as follows:

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## 2010 Third Quarter Report

September 30, 2010 (unaudited)

## Portfolio of Investments

## The Malaysia Fund, Inc.

	Shares	Value (000)
<b>Common Stocks (97.0%)</b>		
<b>Automobiles (3.9%)</b>		
Proton Holdings Bhd	599,400	\$ 963
TAN Chong Motor Holdings Bhd	1,637,700	3,162
		4,125
<b>Commercial Banks (19.8%)</b>		
CIMB Group Holdings Bhd	3,741,192	9,901
Malayan Banking Bhd	2,033,975	5,798
Public Bank Bhd	1,331,992	5,420
		21,119
<b>Construction &amp; Engineering (8.6%)</b>		
Gamuda Bhd	3,609,300	4,536
IJM Corp. Bhd	2,754,230	4,631
		9,167
<b>Construction Materials (1.3%)</b>		
Lafarge Malayan Cement Bhd	537,300	1,373
<b>Diversified Financial Services (5.8%)</b>		
AMMB Holdings Bhd	3,205,200	6,157
<b>Electric Utilities (2.1%)</b>		
Tenaga Nasional Bhd	805,250	2,301
<b>Food Products (6.2%)</b>		
IOI Corp. Bhd	1,047,220	1,856
Kuala Lumpur Kepong Bhd	859,200	4,731
		6,587
<b>Health Care Equipment &amp; Supplies (4.7%)</b>		
Top Glove Corp. Bhd	3,007,800	4,998
<b>Hotels, Restaurants &amp; Leisure (13.4%)</b>		
Berjaya Sports Toto Bhd	1,499,178	2,020
Genting Bhd	2,326,500	7,476
Genting Malaysia Bhd	4,331,400	4,757
		14,253
<b>Industrial Conglomerates (3.6%)</b>		
Sime Darby Bhd	1,381,110	3,803
<b>Marine (3.6%)</b>		
MISC Bhd	1,348,360	3,818
<b>Multi-Utilities (4.1%)</b>		
YTL Corp. Bhd	1,803,713	4,382

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**Multiline Retail (2.7%)**

Parkson Holdings Bhd

1,535,004

2,894

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## 2010 Third Quarter Report

September 30, 2010 (unaudited)

## Portfolio of Investments (cont d)

## The Malaysia Fund, Inc.

	Shares	Value (000)
<b>Real Estate Management &amp; Development (12.0%)</b>		
IGB Corp. Bhd	4,448,100	\$ 2,608
SP Setia Bhd	2,821,548	4,104
UEM Land Holdings Bhd (a)	8,037,450	6,093
		12,805
<b>Wireless Telecommunication Services (5.2%)</b>		
Axiata Group Bhd (a)	3,098,025	4,396
DiGi.Com Bhd	143,300	1,128
		5,524
<b>Total Common Stocks (Cost \$52,425)</b>		103,306
	<b>No. of Warrants</b>	
<b>Warrants (0.4%)</b>		
<b>Construction &amp; Engineering (0.2%)</b>		
Gamuda Bhd, expires 05/25/2015 (a)	451,150	207
<b>Hotels, Restaurants &amp; Leisure (0.1%)</b>		
IJM Land Bhd, expires 09/11/2013 (a)	240,160	81
<b>Real Estate Management &amp; Development (0.1%)</b>		
SP Setia Bhd, expires 01/21/2013 (a)	547,425	104
<b>Total Warrants (Cost \$64)</b>		392
	<b>Shares</b>	
<b>Short-Term Investment (0.2%)</b>		
<b>Investment Company (0.2%)</b>		
Morgan Stanley Institutional Liquidity Funds - Money Market Portfolio - Institutional Class (b) (Cost \$213)	213,222	213
<b>Total Investments (97.6%) (Cost \$52,702) +</b>		103,911
<b>Other Assets in Excess of Liabilities (2.4%)</b>		2,602
<b>Net Assets (100.0%)</b>		\$ 106,513

(a) Non-income producing security.

(b) The Fund invests in the Morgan Stanley Institutional Liquidity Funds - Money Market Portfolio - Institutional Class, (the Liquidity Fund), an open-end management investment company managed by the Investment Adviser. Investment advisory fees paid by the Fund are reduced by an amount equal to the advisory and administrative service fees paid by the Liquidity Fund with respect to assets invested by the Fund in the Liquidity Fund.



**2010 Third Quarter Report**

September 30, 2010 (unaudited)

**Portfolio of Investments (cont d)**

**The Malaysia Fund, Inc.**

+ At September 30, 2010, the U.S. Federal income tax cost basis of investments was approximately \$52,702,000 and, accordingly, net unrealized appreciation for U.S. Federal income tax purposes was \$51,209,000 of which \$51,209,000 related to appreciated securities and \$0 related to depreciated securities.

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## 2010 Third Quarter Report

September 30, 2010 (unaudited)

## Portfolio of Investments

## The Malaysia Fund, Inc.

## Fair Value Measurement Information:

The following is a summary of the inputs used to value the Fund's net assets as of September 30, 2010. (See Notes to the Portfolio of Investments for further information regarding fair value measurement.)

Investment Type	Level 1 Quoted prices (000)	Level 2 Other significant observable inputs (000)	Level 3 Significant unobservable inputs (000)	Total (000)
<b>Common Stocks</b>				
Automobiles	\$ 4,125	\$	\$	\$ 4,125
Commercial Banks	21,119			21,119
Construction & Engineering	9,167			9,167
Construction Materials	1,373			1,373
Diversified Financial Services	6,157			6,157
Electric Utilities	2,301			2,301
Food Products	6,587			6,587
Health Care Equipment & Supplies	4,998			4,998
Hotels, Restaurants & Leisure	14,253			14,253
Industrial Conglomerates	3,803			3,803
Marine	3,818			3,818
Multi-Utilities	4,382			4,382
Multiline Retail	2,894			2,894
Real Estate Management & Development	12,805			12,805
Wireless Telecommunication Services	5,524			5,524
<b>Total Common Stocks</b>	<b>103,306</b>			<b>103,306</b>
<b>Warrants</b>				
Construction & Engineering	207			207
Hotels, Restaurants & Leisure	81			81
Real Estate Management & Development	104			104
<b>Total Warrants</b>	<b>392</b>			<b>392</b>
<b>Short-Term Investment</b>				
Investment Company	213			213
<b>Total</b>	<b>\$ 103,911</b>	<b>\$</b>	<b>\$</b>	<b>\$ 103,911</b>

Transfers between investment levels may occur as the markets fluctuate and/or the availability of data used in an investment's valuation changes. The Fund recognizes transfers between the levels as of the end of the period. As of September 30, 2010, securities with a total value of

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approximately \$103,491,000 transferred from Level 2 to Level 1. At December 31, 2009, the fair market value of certain securities were adjusted due to developments which occurred between the time of the close of the foreign markets on which they trade and the close of business on the NYSE which resulted in their Level 2 classification.

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**Notes to Portfolio of Investments (unaudited)**

In accordance with FASB ASC 820 Fair Value Measurements and Disclosure (ASC 820) (formerly known as SFAS 157), fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. ASC 820 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in valuing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in valuing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Fund's investments. The inputs are summarized in the three broad levels listed below.

- Level 1 quoted prices in active markets for identical securities
  
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
  
- Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

**Security Valuation:** Securities listed on a foreign exchange are valued at their closing price except as noted below. Unlisted securities and listed securities not traded on the valuation date for which market quotations are readily available are valued at the mean between the current bid and asked prices obtained from reputable brokers. Equity securities listed on a U.S. exchange are valued at the latest quoted sales price on the valuation date. Equity securities listed or traded on NASDAQ, for which market quotations are available, are valued at the NASDAQ Official Closing Price. Short-term debt securities purchased with remaining maturities of 60 days or less are valued at amortized cost, unless the Board of Directors (the Directors) determine such valuation does not reflect the securities' market value, in which case these securities will be valued at their fair value as determined by the Directors.

All other securities and investments for which market values are not readily available, including restricted securities, and those securities for which it is inappropriate to determine prices in accordance with the aforementioned procedures, are valued at fair value as determined in good faith under procedures adopted by the Directors, although the actual calculations may be done by others. Factors considered in making this determination may include, but are not limited to, information obtained by contacting the issuer, analysts, or the appropriate stock exchange (for exchange-traded securities), analysis of the issuer's financial statements or other available documents and, if necessary, available information concerning other securities in similar circumstances.

Most foreign markets close before the New York Stock Exchange (NYSE). Occasionally, developments that could affect the closing prices of securities and other assets may occur between the times at which valuations of such securities are determined (that is, close of the foreign market

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on which the securities trade) and the close of business on the NYSE. If these developments are expected to materially affect the value of the securities, the valuations may be adjusted to reflect the estimated fair value as of the close of the NYSE, as determined in good faith under procedures established by the Directors.

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**Item 2. Controls and Procedures.**

(a) The Fund's principal executive officer and principal financial officer have concluded that the Fund's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Fund in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

(b) There were no changes in the Fund's internal control over financial reporting that occurred during the registrant's fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting.

**Item 3. Exhibits.**

(a) A separate certification for each principal executive officer and principal financial officer of the registrant are attached hereto.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

The Malaysia Fund, Inc.

/s/ Sara Furber  
Sara Furber  
Principal Executive Officer  
November 16, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Sara Furber  
Sara Furber  
Principal Executive Officer  
November 16, 2010

/s/ Francis Smith  
Francis Smith  
Principal Financial Officer  
November 16, 2010

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