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

FORM 10-QSB

- (X) Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2005
- () Transition report pursuant of Section 13 or 15(d) of the Securities Exchange Act of 1939 for the transition period ____ to_____

COMMISSION FILE NUMBER 000-32695

AMARU, INC.

(Exact name of registrant as specified in its charter)

Nevada

88-0490089

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification No.)

112 Middle Road, #08-01 Midland House, Singapore 188970 (011)(65) 6332 9287

(Address of Principal Executive Offices, including Registrant's zip code
and telephone number)

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 [X] No []

The number of shares of the registrant's common stock as of August 12, 2005:
30,478,000 shares.

Transitional Small Business Disclosure Format (check one): Yes [] No [X]

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

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AMARU, INC. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	JUNE 30, 2005	DECEMBER 31, 2004
	-----	-----
<S>	<C>	<C>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,179,233	\$ 644,319
Accounts receivable	2,429,149	239
Other receivable	--	680,737
Other current assets	96,153	5,576
	-----	-----
Total current assets	3,704,535	1,330,871
Non-current assets		
Property and equipment, net	3,159,631	520,360
Product development, net	129,954	181,948
Investments	145,431	--
Licenses, net	6,289,866	2,420,227
	-----	-----
Total non-current assets	9,724,882	3,122,535
	-----	-----
Total assets	\$13,429,417	\$ 4,453,406
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 2,261,192	\$ 126,345
Accounts payable- related parties	--	473,792
Deferred tax liability	37,623	36,760
Advances from related parties	106,844	179,736
Line of credit	--	--
	-----	-----
Total current liabilities	2,405,659	816,633
Commitments	--	--
Shareholders' equity		
Series A convertible preferred stock (par value \$0.001) 5,000,000 shares authorized: 0 shares issued and outstanding at June 30, 2005 and December 31, 2004, respectively	--	--
Common stock (par value \$0.001) 200,000,000 shares authorized; 29,668,000 shares issued and outstanding at June 30, 2005 and 27,200,000 at December 31, 2004	29,668	27,200
Paid in capital	10,114,783	2,932,751
Retained earnings	866,380	667,634
Comprehensive gain on currency translation	12,927	9,188
	-----	-----
Total shareholders' equity	11,023,758	3,636,773
	-----	-----
Total liabilities and shareholders' equity	\$13,429,417	\$ 4,453,406
	=====	=====

The accompanying notes to financial statements
are an integral part of this statement

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AMARU, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	FOR THE SIX MONTHS ENDED		FOR THE THREE MONTHS ENDED	
	JUNE 30, 2005	JUNE 30, 2004	JUNE 30, 2005	JUNE 30, 2004
<S>	<C>	<C>	<C>	<C>
Revenue:				
Licensing and advertising (including \$0 and \$900,000 to a related party in the quarter ended June 30, 2005 and 2004 respectively; and \$0 and \$900,000 to a related party in the six months period ended June 30, 2005 and 2004)	2,270,755	2,096,316	1,368,059	1,090,399
Gaming	1,964,491	--	1,964,491	--
Broadband consulting services	500,000	--	--	--
E-commerce	--	12,046	--	67
Subscription and related services	538	3,998	538	3,998
Other income	915	11,851	388	(6,774)
Total revenue	4,736,699	2,124,211	3,333,476	1,087,690
Cost of services (including \$0 and \$993,600 of services purchased from related party in the quarter ended June 30, 2005 and 2004 respectively and \$0 and \$1,062,404 for the six months ended June 30, 2005 and 2004 respectively)	3,717,913	1,120,861	2,839,899	1,004,827
Gross profit (loss)	1,018,786	1,003,350	493,577	82,863
Distribution costs	200,470	213,416	141,109	204,443
Administrative expenses	619,407	291,491	393,356	110,629
Total expenses	819,877	504,907	534,465	315,072
Income (Loss) from operations	198,909	498,443	(40,888)	(232,209)
Other (income) expense:				
Interest expenses	--	945	--	491
Interest received	(1,081)	--	(1,081)	--
Provision for Income taxes	1,244	112,398	(66,228)	(46,774)
Net income (loss)	\$ 198,746	\$ 385,100	26,421	(185,926)
Earnings (loss) per share-basic and diluted	\$ 0.01	\$ 0.02	\$ 0.00	\$ (0.01)
Weighted average number of common shares outstanding-basic and diluted	28,023,022	19,538,961	28,802,934	20,000,000

The accompanying notes to financial statements
are an integral part of this statement

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AMARU, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(UNAUDITED)

	Series A Convertible Preferred Stock		Common Stock							Total Shareholders' equity
	Number of Shares	Par Value (\$0.001)	Number of shares	Par value (\$0.001)	Additional Paid-in capital	Subscribed stock	Retained Earnings	Translation gain		
<S> Balance December 31, 2003	<C> --	<C> \$ --	<C> 18,136,364	<C> \$18,136	<C> \$867,292	<C> \$128,255	<C> \$160,696	<C> \$32,917	<C> \$1,207,296	
Shares issued for cash Feb. 10, 2004	--	--	1,363,636	1,364	414,636	(128,255)	--	--	287,745	
Reverse acquisition	143,000	143	500,000	500	(27,347)	--	--	--	(26,704)	
Stock issued for services	--	--	1,000,000	1000	49,000	--	--	--	50,000	
Common stock issued for cash	--	--	700,000	700	1,629,170	--	--	--	1,629,870	
Stock converted	(143,000)	(143)	5,500,000	5,500	--	--	(5,357)	--	--	
Net income	--	--	--	--	--	--	512,295	--	512,295	
Comprehensive loss on currency translation	--	--	--	--	--	--	--	(23,729)	(23,729)	
Comprehensive income									488,566	
Balance December 31, 2004	--	--	27,200,000	27,200	2,932,751	--	667,634	9,188	3,636,773	
Common stock issued for cash	--	--	2,323,000	2,323	6,747,177	--	--	--	6,749,500	
Common stock issued for repayment of accounts payable	--	--	145,000	145	434,855	--	--	--	435,000	
Net income	--	--	--	--	--	--	198,746	--	198,746	
Comprehensive gain on currency translation	--	--	--	--	--	--	--	3,739	3,739	
Comprehensive income									202,485	
Balance June 30, 2005	--	\$ --	29,668,000	\$29,668	\$10,114,783	\$ --	\$866,380	\$12,927	\$11,023,758	

The accompanying notes to financial statements are an integral part of this statement

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AMARU, INC. & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	FOR THE SIX MONTHS ENDED JUNE 30, 2005	FOR THE SIX MONTHS ENDED JUNE 30, 2004
<S>	<C>	<C>
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	\$ 198,746	\$ 385,100
Adjustments to reconcile net income to cash and cash equivalents used or provided by operations:		
Amortization	104,815	57,727
Depreciation	26,393	5,715
Acquisition of license in exchange for account receivable	--	(1,016,734)
Changes in operation assets and liabilities		
Accounts receivable	(582,330)	(199,726)
Other receivables	680,737	--
Other current assets	(90,577)	48,441
Accounts payable and accrued expenses	250,338	209,183
Income tax payable	--	75,841
Net cash from operating activities	588,122	(434,453)
CASH FLOWS FROM INVESTING ACTIVITIES		
Software development reduction	(17,460)	1,217
Acquisition of equipment	(2,665,664)	(4,350)
Acquisition of license	(3,905,000)	--
Acquisition of investments	(145,431)	--
Net cash (used in) investing activities	(6,733,555)	(3,133)
CASH PROVIDED FROM FINANCING ACTIVITIES		
Payable to related party	(72,892)	147,350
Payments on line of credit	--	(10,981)
Re-capitalization of M2B World Pte.Ltd	--	(26,704)
Issuance of common stock for cash	6,749,500	287,745
Proceeds from stock subscriptions	--	20,000
Net cash provided by financing activities	6,676,608	417,410
Effect of exchange rate changes on cash and cash equivalents	3,739	20,109
Cash flow from all activities	534,914	(67)
Cash and cash equivalents at beginning of period	644,319	60,307
Cash and cash equivalents at end of period	\$ 1,179,233	\$ 60,240
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	\$ --	\$ 946
Income taxes	\$ --	\$ 36,405
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES :		
Common stock in exchange for repayment of accounts payable	\$ 435,000	\$ --

The accompanying notes to the financial statements are an integral part of this statement

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AMARU INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
JUNE 30, 2005 AND 2004
(UNAUDITED)

1. BASIS OF PRESENTATION AND REORGANISATION

DESCRIPTION OF BUSINESS

The Amaru, Inc., a Nevada corporation (the "Company") through its subsidiaries under the M2B brand, is a leader in the Broadband Media Entertainment business, and a major provider of interactive Entertainment-on-demand, Education-on-demand and e-commerce streaming over Broadband channels, Internet portals, and 3G (Third Generation) devices.

The Company controls substantial content libraries for aggregation, distribution and syndication on Broadband and other media, sourced from Hollywood and major content providers around the world.

The Company's business strategy is to be a diversified media company specializing in the interactive media industry, using the latest broadband, E-Commerce and communications technologies, and access to international content and programming.

To date, the Company has launched multiple Broadband TV websites for Hollywood and Asian entertainment, education and online shopping, with over 100 channels catering to various consumer segments and lifestyles. Its content covers diverse genres such as movies, dramas, comedies, documentaries, music, fashion, lifestyle and more. The M2B brand has its competitive edge by offering access to an expansive range of content libraries for aggregation, distribution and syndication on Broadband and other media; including rights for merchandising, product branding, promotion and publicity.

In June 2005, the Company through its subsidiary, M2B Commerce Limited, a company incorporated in the British Virgin Islands acquired the rights to a gaming license to manage, operate and conduct digit games (lottery) in Cambodia. The rights to the license is for a period of eighteen years.

REORGANIZATION

As of February 25, 2004 , Amaru, Inc. (the "Company") acquired M2B World Pte Ltd., a Singapore corporation ("M2B World") in exchange for 19,500,000 newly issued "restricted" shares of common voting stock of the Company and 143,000 "restricted" Series A Convertible Preferred Stock to the M2B World shareholders for the purpose of effecting a tax-free reorganization pursuant to the Agreement and Plan of Reorganization (the "Agreement"), with M2B World, becoming a wholly-owned subsidiary of the Company.

The exchange was accounted for as a reverse acquisition. Accordingly for financial statement purposes, M2B World Pte. Ltd. was considered the accounting acquiror and the related business combination was considered a recapitalization of M2B World Pte. Ltd. rather than an acquisition by the Company. The historical financial statements prior to the agreement are those of M2B World Pte. Ltd. and the name of the consolidated Company going forward is Amaru, Inc. and Subsidiaries.

On this basis, the historical financial statements prior to February 28, 2004 have been restated to be those of the accounting acquirer M2B World Pte. Ltd. the historical stockholders' equity prior to the reverse acquisition has been retroactively restated (a recapitalization) for the equivalent number of shares received in the acquisition after giving effect to any difference in par value of the issuer's and acquirer's stock.

BASIS OF PRESENTATION

The financial statements included herein are unaudited. However, such information reflects all adjustments (consisting solely of normal occurring adjustments) which are, in the opinion of management, necessary for a fair statement of results for the interim periods. The results of operations for the six months ended June 30, 2005, are not necessarily indicative of the results to be expected for the full year.

The accompanying financial statements do not include footnote and certain financial presentation normally required under generally accepted accounting principles, and, therefore, should be read in conjunction with the Company's annual report on Form 10-KSB for the year ended December 31, 2004.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Amaru Inc and its wholly owned subsidiaries. All significant transactions among the consolidated entities have been eliminated upon consolidation.

USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management has not made any subjective or complex judgments the application of which would result in any material differences in reported results.

CONCENTRATION OF CREDIT RISK

The credit risk is primarily attributable to the Company's trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Licensing and advertising revenues were concentrated with three customers totaling 100% of these related revenues for the six months ended June 30, 2005 and two customers totaling 100% of these related revenues for the six months ended June 30, 2004.

The Company's operations are conducted over the world wide web and some purchases are made from locations outside of Singapore. The Company had been transacting primarily through its Singapore operating entity. Sales outside Singapore was recorded in June 2005.

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	For the six months ended June 30,		For the three months ended June 30,	
	2005	2004	2005	2004
<S>	<C>	<C>	<C>	<C>
Sales outside Singapore	\$2,428,341	\$ 0	\$2,428,341	\$ 0
Services purchased outside of Singapore	\$3,725,420	\$1,262,404	\$2,843,974	\$1,193,599

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CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to cash and subject to insignificant risk of changes in value.

Cash in banks and short-term deposits are held to maturity and are carried at cost. For the purposes of the cash flow statement, cash and cash equivalents consist of cash on hand and deposits in banks, net of outstanding bank overdrafts.

REVENUES

Subscription and related services revenues are recognized over the period that services are provided. Advertising and sponsorship revenues are recognized as the services are performed or when the goods are delivered. Licensing and content syndication revenue is recognized when the license period begins, and the contents are available for exploitation by customer, pursuant to the terms of the license agreement. Gaming revenue is recognized as earned net of winnings. E-commerce commissions are recognized as received. Broadband consulting services and on-line turnkey solutions are recognized as earned.

COSTS OF SERVICES

The cost of services pertaining to 1) advertising and sponsorship revenue and 2) subscription and related services are cost of bandwidth charges, channel design and alteration, copyright licensing, and hardware hosting and maintenance costs. The cost of services pertaining to E-commerce revenue are channel design and alteration, and hardware hosting and maintenance costs. The cost of services pertaining to gaming is for managing and operating the operations and gaming centers. All these costs are accounted for in the period incurred.

LICENSING RIGHTS

Licensing rights refers to the rights to use the content. These rights are purchased for a specific period as determined in the contract. The costs of these rights are recognized in the accounts over the life of the contract on a straight line basis. These contents are then streamed into the broadband sites and the revenue earned from advertising, sponsorship and subscription are then recognized according to our policy on revenue.

TRADE AND OTHER RECEIVABLES

Trade receivables, which generally have 30 to 90 day terms, are recognized and carried at the original invoice amount less an allowance for any uncollectible amounts (if any). An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

The Company has reviewed trade and other receivables and determined that no allowance for doubtful accounts is required.

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PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. Expenditures for major improvements are capitalized, while replacements, maintenance and repairs, which do not significantly improve or extend the useful life of the asset, are expensed when incurred.

Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets, which is three to five years.

PRODUCT DEVELOPMENT

The Company capitalized the development and building cost related to the broad-band sites and infrastructure for the streaming system, most of which was developed in 2002. The Company projects that these development costs will be useful for up to five years before additional significant development needs to be done.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company reviews the carrying values of its long-lived and intangible assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. No impairment losses were recorded in the six months ended June 30, 2005 and the year ended December 31, 2004.

ADVANCES FROM RELATED PARTY

Advances from related party are unsecured, non-interest bearing and payable on demand.

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are measured and recorded in the functional currency U.S. dollars, using the Company's prevailing month exchange rate. The Company's reporting currency is also in U.S. dollars. At balance sheet date, recorded monetary balances that are denominated in a foreign currency are adjusted to reflect the rate at the balance sheet date and the income statement accounts using the average exchange rates throughout the period. Translation gains and losses are recorded in stockholders' equity as other Comprehensive income and realized gains and losses from foreign currency transactions are reflected in operations.

ADVERTISING

The cost of advertising is expensed as incurred. For the quarter and six months ended June 30, 2005, the Company incurred advertising expenses of \$79,200 and \$99,344 respectively.

INCOME TAXES

Deferred income taxes are reported using the liability method. Deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

EARNINGS (LOSS) PER SHARE

In February 1997, the Financial Accounting Standards Board (FASB) issued FAS No. 128 "Earnings Per Share" which requires the Company to present basic and diluted earnings per share, for all periods presented. The computation of earnings per common share (basic and diluted) is based on the weighted average number of shares actually outstanding during the period. The Company has no common stock equivalents, which would dilute earnings per share.

FINANCIAL INSTRUMENTS

The carrying amounts for the Company's cash, other current assets, accounts payable, accrued expenses, notes payable, and other liabilities approximate their fair value.

RECLASSIFICATIONS

Certain amounts in the previous periods presented have been reclassified to conform to the current periods financial statement presentation.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30, 2005	December 31, 2004
Office equipment	\$ 234,674	\$ 65,078
Film Library	2,920,000	500,000
Furniture, fixture and fittings	80,646	4,578
	3,235,320	569,656
Accumulated depreciation	(75,689)	(49,296)
	\$ 3,159,631	\$ 520,360

Depreciation expense was \$26,393 for the six months ended June 30, 2005 and \$5,715 for the six months ended June 30, 2004.

4. PRODUCT DEVELOPMENT

Product development consists of the following:

	June 30, 2005	December 31, 2004
Development expenditures	\$ 618,561	\$ 601,101
Accumulated amortization	(488,607)	(419,153)
	\$ 129,954	\$ 181,948

Amortization expense was \$69,454 for the six months ended June 30, 2005 and \$121,142 for the year ended December 31, 2004.

5. LICENSE

License consists of the following:

	June 30, 2005	December 31, 2004
Software license	\$ 2,420,227	\$ 2,420,227
On-line games license	605,000	--
Gaming license	3,300,000	--
	6,325,227	2,420,227
Accumulated amortization	(35,361)	--
	\$6,289,866	\$ 2,420,227

Depreciation expense was \$35,361 for the six months ended June 30, 2005 and \$0 for the year ended December 31, 2004.

6. LINE OF CREDIT

The Company has a line of credit, \$59,358 for six months ended June 30, 2005 and \$61,267 for year ended December 31, 2004, repayable on demand, used to fund the Company and its subsidiaries' short-term working capital requirements. The line of credit bears interest at prime lending rate plus 1% per annum (5% at June 30, 2005, and 6% at December 31, 2004). This line of credit is secured by a certificate of deposit and interest is payable monthly. The outstanding balance was zero at both June 30, 2005, and December 31, 2004.

7. COMMITMENTS

LEASES

The Company renewed its lease with a larger office space of about 4,000 square feet, at a monthly rental of \$4,155. The new lease period is for three years, expiring on March 16, 2008. Rent expense totaled \$19,617 for the six months ended June 30, 2005 and \$7,461 for the six months ended June 30, 2004.

Minimum lease payments for the noncancellable operating lease for the years ending December 31,

2005	2006	2007	2008	Total
\$ 24,930	\$ 49,860	\$ 49,860	\$ 10,388	\$ 135,038

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8. CAPITAL STOCK

COMMON STOCK ISSUED FOR CASH

For the six months ended June 30, 2005, Amaru Inc issued 2,323,000 shares of common stock through private placement at a price of \$3.00 per share for a total amount of \$6,969,000.

Consulting fees of \$219,500 associated with the issuance of common stock were deducted from additional paid-in capital during the six months ended June 30, 2005.

COMMON STOCK ISSUED FOR REPAYMENT OF ACCOUNTS PAYABLE

On June 8, 2005, Amaru Inc issued 145,000 shares of common stock through private placement at a price of \$3.00 per share for a total amount of \$435,000 for repayment of accounts payable.

9. INCOME TAXES

The Company files separate tax returns for Singapore and the United States of America. The Company operated primarily in Singapore and incurred no United States incomes taxes as of June 30, 2005.

The increase in deferred tax liabilities resulted from changes in depreciation, amortization and tax allowances associated with its Singapore operations.

The Company had available approximately \$457,000 of unused net operating loss carry-forwards at June 30, 2005, that may be applied against future United States taxable income. These net operating loss carry-forwards expire in 2025. SFAS No. 19 requires valuation allowance to be recorded when it is more likely than not that some or all of the deferred tax assets will not be realized. At June 30, 2005, the Company continued to maintain a full valuation allowance for the net deferred tax assets resulting from these net operating loss carry-forwards because of uncertainties as to the future United States taxable income necessary to utilize the net operating losses.

10. SUBSEQUENT EVENT

On July 13, 2005 the Company received \$2,430,000 for the purchase of 810,000 shares of common stock at \$3.00 per share through its private placement. At the date of this report the share certificates have been issued.

On July 14, 2005, M2B Commerce Limited, a British Virgin Islands corporation and a wholly-owned subsidiary of the Company entered into an addendum to an agreement with a British Virgin Islands company originally entered into on May 31, 2005 to operate and conduct digit games in Cambodia and to manage the digit games activities in Cambodia. Pursuant to the amended agreement, M2B Commerce Limited agreed to increase the license fee to a total of \$4.69 million from \$3.3 million and to reduce the royalty fees payable by M2B Commerce Limited under the terms of the agreement.

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

PRELIMINARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

ALL FORWARD-LOOKING STATEMENTS CONTAINED HEREIN ARE DEEMED BY THE COMPANY TO BE COVERED BY AND TO QUALIFY FOR THE SAFE HARBOR PROTECTION PROVIDED BY THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. PROSPECTIVE SHAREHOLDERS SHOULD UNDERSTAND THAT SEVERAL FACTORS GOVERN WHETHER ANY FORWARD - LOOKING STATEMENT CONTAINED HEREIN WILL BE OR CAN BE ACHIEVED. ANY ONE OF THOSE FACTORS COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE PROJECTED HEREIN. THESE FORWARD - LOOKING STATEMENTS INCLUDE PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS, INCLUDING PLANS AND OBJECTIVES RELATING TO THE PRODUCTS AND THE FUTURE ECONOMIC PERFORMANCE OF THE COMPANY. ASSUMPTIONS RELATING TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE AND MARKET CONDITIONS, FUTURE BUSINESS DECISIONS, AND THE TIME AND MONEY REQUIRED TO SUCCESSFULLY COMPLETE DEVELOPMENT PROJECTS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY AND MANY OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY. ALTHOUGH THE COMPANY BELIEVES THAT THE ASSUMPTIONS UNDERLYING THE FORWARD - LOOKING STATEMENTS CONTAINED HEREIN ARE REASONABLE, ANY OF THOSE ASSUMPTIONS COULD PROVE INACCURATE AND, THEREFORE, THERE CAN BE NO ASSURANCE THAT THE RESULTS CONTEMPLATED IN ANY OF THE FORWARD - LOOKING STATEMENTS CONTAINED HEREIN WILL BE REALIZED. BASED ON ACTUAL EXPERIENCE AND BUSINESS DEVELOPMENT, THE COMPANY MAY ALTER ITS MARKETING, CAPITAL EXPENDITURE PLANS OR OTHER BUDGETS, WHICH MAY IN TURN AFFECT THE COMPANY'S RESULTS OF OPERATIONS. IN LIGHT OF THE SIGNIFICANT UNCERTAINTIES INHERENT IN THE FORWARD - LOOKING STATEMENTS INCLUDED THEREIN, THE INCLUSION OF ANY SUCH STATEMENT SHOULD NOT BE REGARDED AS A REPRESENTATION BY THE COMPANY OR ANY OTHER PERSON THAT THE OBJECTIVES OR PLANS OF THE COMPANY WILL BE ACHIEVED.

General

Amaru, Inc., a Nevada corporation, through its subsidiaries under the M2B brand, is a leader in the Broadband Media Entertainment business, providing interactive Entertainment, Education-on-demand and e-commerce; streaming via computers, television sets, PDAs (Personal Digital Assistant) and 3G devices.

Its business includes advertising and sponsorships, online subscriptions, online games, content syndication, broadband services (like digital programming, consulting, hosting, online shopping and turnkey solutions), e-commerce and digit games.

To date, the Company has launched multiple Broadband TV websites for Hollywood and Asian entertainment, education and online shopping, with over 100 channels catering to various consumer segments and lifestyles, covering diverse genres such as movies, dramas, comedies, documentaries, music, fashion, lifestyle and more. The management believes that the M2B brand has its competitive edge by offering access to an expansive range of content libraries for aggregation, distribution and syndication on Broadband and other media; including rights for merchandising, product branding, promotion and publicity.

The following discussion should be read in conjunction with selected financial data and the financial statements and notes to financial statements

RESULTS OF OPERATIONS

For the six months and three months ended June 30, 2005 compared with six months and three months ended June 30, 2004.

OVERVIEW

The key business focus of the Company is to establish itself as the leading provider and creator of a new generation Of Entertainment-on-Demand, Education-on-Demand and E-Commerce Channels on Broadband, and 3G (Third Generation) devices.

For the broadband, the Company delivers both wire and wireless solutions, streaming via computers, TV sets, PDAs and 3G handphones.

At the same time the Company launches e-commerce channels (portals) that provide on-line shopping but with a difference, merging two leisure activities of shopping and entertainment. The entertainment channels are designed to drive and promote the shopping portals, and vice versa.

The Company's business model in the area of broadband entertainment includes both education on-demand and e-services, which would provide the Company with multiple streams of revenue. Such revenues would be derived from advertising and branding (channel and program sponsorship); on-line subscriptions; online games micro-payments; channel/portal development (digital programming services); content aggregation and syndication; broadband consulting services; on-line shopping turnkey solutions; broadband hosting and streaming services; E-commerce commissions and on-line dealerships; and digit games operations.

The Company's Broadband Sites

The following Broadband sites have been set up both in the United States and abroad to cater to different market segments.

1. ENTERTAINMENT International sites:

- o Star78.com - an advertising-based Family Entertainment site
- o Shine8.com - an advertising-based Lifestyle site
- o Jump29.com - an advertising-based Young Adults site
- o Dreamstage7.com - an advertising & subscription-based Glamour & Fashion site
- o Dimension88.com - an advertising & subscription-based Movie site
- o Dragon78.com - an advertising & subscription-based Mandarin Entertainment site
- o Joy Channel - a subscription based family entertainment site dedicated for United Power viewers in Japan only
- o Ideas Broadband - four subscription based entertainment sites (Movie Mania, Executive Online, Glamour Galore, Dragon City) for Singapore Telecommunication Ltd viewers in Singapore only.

US Sites:

- o Dragon78.tv - an advertising & subscription-based Mandarin Entertainment site

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2. EDUCATION SITES
International Sites:
 - o Wiz5.com - an advertising & subscription-based Business & Corporate Training siteUS Sites:
 - o Wiz5.us - an advertising & subscription-based Business & Corporate Training site
3. E-COMMERCE SITES
International Sites:
 - o Starzmall.com - A One-Stop Shopping Paradise
 - o Trotteuse.com - A Second-Hand Branded Goods Mall
4. ONLINE GAMES SITE
 - o MagicOverLoad.com - Online games site to be made available in Singapore

In fiscal 2005, the Company plans to restructure its operations to meet fully its global expansion initiatives. Part of this plan has already been put in place in the first quarter of 2005 when the business was reorganized under the following entities to spearhead the expansion of the Company's business and focus on specific growth areas and territories.

M2B WORLD PTE LTD (SINGAPORE)

This subsidiary will continue to oversee the management and operation of the Company as a whole and oversee the Asian business.

A CHINA REPRESENTATIVE OFFICE has been set up in Shanghai. This representative office will be under M2B World Pte Limited and handle the Company's China business. The representative office has leased office space in the Shui On Plaza on Huai Hai Zhong Road in Central Shanghai with effect from March 15 2005.

In addition to having its own entertainment and education sites, the Company had signed two contracts previously with service providers in Asia, namely Singapore Telecommunications Ltd of Singapore and United Power of Japan. On March 18, 2005, the Company signed a contract with United Power of Japan to launch 8 broadband channels on television sets in Japan via streaming through the set top boxes.

The Company on May 23, 2005 extended its contract of July 26, 2004 with Singapore Telecommunications Ltd to provide four broadband entertainment sites with 26 channels for an exclusive high megabit broadband service; the service was extended to cover 3G wireless mobile phones.

The Company extended its reach to China when it entered into an agreement on May 10, 2005 with Chengdu Happy Digital Network Information Technology of China for the development of an entertainment platform on broadband. The Company took an investment on May 16, 2005 for a 8.4% equity position with a company called Activ Lifestyle Pte Ltd in Singapore to help facilitate Amaru Inc.'s diversification into the health and wellness market.

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M2B WORLD INC. (USA)

M2B WORLD INC., a California corporation, was incorporated on January 24, 2005. This subsidiary handles and oversees the Company's business in the USA. The company has leased a new office on Sunset Boulevard, West Hollywood that comes into effect from April 1, 2005. M2B World Pte Ltd (Singapore) had completed the transfer of its US broadband sites and some international sites to M2B World Inc by the end of the second quarter of 2005.

On May 27, 2005, M2B World, Inc. entered into an agreement with Indie Vision Films, Inc., a California corporation, to purchase 20% of the beneficial ownership of Indie Vision Films, Inc. As of the date of this report, the Company had paid for a 4.76% equity position in Indie Vision Films, Inc. The investment will allow M2B World, Inc. to access the library of programmes of Indie Vision Films, Inc.

M2B GAME WORLD PTE LTD (SINGAPORE)

M2B GAME WORLD PTE LTD (SINGAPORE) was incorporated in Singapore on January 24, 2005. This company will function as a wholly owned subsidiary company of M2B World Pte Ltd and will handle the venture into online games.

The Company has already secured an online games franchise for six countries (Australia, New Zealand, Thailand, Indonesia, China and Singapore). The online games platform and micro-payment gateway was operational in Singapore by the second quarter of 2005. The Company is planning the promotional launch of its online games site in September 2005.

AMARU HOLDINGS LIMITED (BVI)

AMARU HOLDINGS LIMITED (BVI) was incorporated in the British Virgin Islands on February 21, 2005. All rights and licenses for the entertainment and education content (like movies, dramas, lifestyles, corporate training, and others) will be held under this company.

M2B COMMERCE LIMITED (BVI).

M2B World has a wholly owned subsidiary, M2B Commerce Limited, registered in the British Virgin Islands. M2B World intends to consolidate all its e-commerce operations and possibly launch new "e-bay" type initiatives under M2B Commerce Limited. With effect from January 11, 2005 ownership of this company has been transferred from M2B World Pte Ltd to Amaru Inc. and is wholly owned directly under Amaru Inc.

On May 31, 2005, M2B Commerce Limited entered into an agreement with another company to operate and conduct digit games in Cambodia, as an extension of the Company's entertainment operations. The service was operational from June 2005.

New online e-commerce malls are currently being designed and built; these new malls are expected to be operational by third quarter of 2005.

M2B WORLD TRAVEL LIMITED (BVI)

M2B WORLD TRAVEL LIMITED (BVI) was recently incorporated in the British Virgin Islands on May 3, 2005. This subsidiary of the Company will be used to launch a global online travel platform, which is expected to be ready for operation by end of 2005.

The Company is currently developing in the USA an online travel engine and travel web applications for integration with suppliers of travel information and travel services; and incorporating travel features with current media operations under the M2B brand name.

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M2B AUSTRALIA PTY LTD

M2B AUSTRALIA PTY LTD was recently incorporated on June 15, 2005. This subsidiary will handle and oversee the Company's business in Australia.

RESULTS OF OPERATIONS - Six months ended June 30, 2005 compared to six months ended June 30, 2004.

SUMMARY

The Company turned in significantly higher revenue for the six months ended June 30, 2005 at \$4,736,699 as compared to \$2,124,211 for the six months ended June 30, 2004. This represents an increase of \$2,612,488 (123%). In spite of the higher revenue, net income after tax for the six months ended June 30,2005 at \$198,746 was lower than the net income after tax of \$385,100 for the six months ended June 30, 2004. The decrease was \$186,354 (48%).This was attributed mainly to the higher cost of sales and administrative costs for the six months ended June 30,2005 as compared to the six months ended June 30, 2004. The higher cost of sales was incurred to service new contracts signed with United Power of Japan, Chengdu Happy Digital Network Information Technology of China and Singapore Telecommunications Ltd. In June 2005 the Company commenced the management and operations of the digit games (lottery) in Cambodia and this also resulted in the higher costs. The higher administrative costs incurred were attributed to the hiring of more professional staff and depreciation from the expansion of the office and purchase of more equipment to meet the growing demands of the business.

REVENUE

The revenue for the six months ended June 30, 2005 was \$4,736,699, up \$2,612,488 (123%) from \$2,124,211 in the six months ended June 30, 2004. The revenue for the three months ended June 30, 2005 was \$3,333,476, up \$2,245,786 (206%) from \$1,087,690 in the three months ended June 30, 2004.

The bulk of the revenue for the six months and three months ended June 30,2005 was from advertising and licensing, and digit games. Advertising and licensing revenue for the six months and three months ended June 30,2005 was \$2,270,755 and \$1,368,059 respectively. The digit games revenue commenced only in June 2005 and hence the amount for both the six months and three months ended June 30,2005 was \$1,964,491.

Advertising and licensing revenue increased from \$2,096,316 for the six months ended June 30,2004 to \$2,270,755 for the six months ended June 30, 2005, an increase of \$174,439 (8.3%). Similarly, advertising and licensing revenue increased from \$1,090,399 for the three months ended June 30, 2004 to \$1,368,059 for the three months ended June 30, 2005. The increase was \$277,660 (25.5%).

The increase in the advertising and licensing revenue for both the six months and three months ended June 30, 2005 was attributed to the continual efforts of the Company in enhancing its broadband sites and acquiring varied and rich mix of contents.

The gaming revenue was from the operation and management of digit games (lottery) in Cambodia, and this is a new source of revenue for the Company that was not available in 2004.

COST OF SALES

Cost of sales for the six months ended June 30, 2005 was \$3,717,913 which increased by \$2,597,052 (232%) from \$1,120,861 for the six months ended June 30, 2004.

As a proportion of revenue, the cost of sales for the six months ended June 30, 2005 was 78% (cost of sales at \$3,717,913 and revenue at \$4,736,699) as compared to 53% for the six months ended June 30, 2004 (cost of sales at \$1,120,861 and revenue at \$2,124,211).

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The significant increase in cost of sales of \$2,597,052 (232%) for the six months ended June 30, 2005 was mainly attributed to :

- a) the cost of managing and operating the operations and game centers in Cambodia for the digit games (lottery)and the payment of royalties for the lottery license. This accounted for \$1,846,580 of the total cost of \$3,717,913 (50%).
- b) the acquisition of contents license rights for the Company's broadband sites. These acquisitions enabled the Company to provide a varied and rich mix of contents which attracts both advertisers and subscribers as well as Media companies in purchasing the Company's contents. This accounted for \$1,871,333 of the total cost of \$3,717,913 (50%).

The cost of managing and operating the operations and game centers in Cambodia, and acquisition of contents license rights in the six months ended June 30, 2005 accounted for the 78% proportion of cost of sales to revenue.

The proportion of 78% for the six months ended June 30, 2005 compared to the 53% for the six months ended June 30, 2004, was higher as the Company did not incur the cost of managing and operating the operations and game centers in Cambodia in the six months ended June 30, 2004 as this activity only commenced in June 2005. The lower proportion for the six months ended June 2004 was also attributed to the lower expenditures on purchase of content license rights for the three months ended March 31, 2004 (\$116,034). The acquisition of content license rights was low as much of the acquisitions were already done in the last two quarters of 2003 in preparation for the launch of new broadband sites and enhanced broadband sites towards the later half of 2003. The lower cost coupled with strong advertising revenue for the six months ended June 30, 2004 resulted in the lower proportion of 53%.

Cost of sales for the three months ended June 30, 2005 was \$2,839,899 which increased by \$1,835,072 (183%) from \$1,004,827 for the three months ended June 30, 2004.

The significant increase was due to the cost of managing and operating the operations and game centers in Cambodia. This amounted to \$1,846,580. As this activity only commenced in June 2005, similar cost was not incurred for the three months ended June 30, 2004.

As a proportion of revenue, the cost of sales for the three months ended June 30, 2005 was 85% (cost of sales at \$2,839,899 and revenue at \$3,333,476) as compared to 92% for the three months ended June 30, 2004 (cost of sales at \$1,004,827 and revenue at \$1,087,690).

The slight decrease in the proportion of 7 percentage points was attributed mainly to the decrease in proportion of the cost of acquisition of content license rights to the advertising and licensing revenue. For the three months ended June 30,2005, cost of acquisition of content license rights was \$993,319 which as a proportion of advertising and licensing revenue of \$1,368,985 was 72%.

DISTRIBUTION EXPENSES

Distribution expenses for the six months ended June 30, 2005 at \$200,470 was slightly lower as compared to the amount of \$213,417 incurred for the six months ended June 30, 2004.

Distribution expenses for the three months ended June 30, 2005 at \$141,109 was lower by \$63,335 (31%) as compared to the amount of \$204,444 incurred for the three months ended June 30, 2004.

The lower amount spent for the three months ended June 30, 2005 was attributed to lower expenditure on advertising and marketing as compared to the three months ended June 30,2004. Though the amount spent in the three months ended June 30, 2005 was at the norm, it was lower as compared to the three months ended June 30, 2004 due to the higher than norm spendings in 2004. The higher spendings in the three months ended June 30, 2004 resulted from a publicity launch of the Company's broadband sites.

GENERAL AND ADMINISTRATIVE EXPENSES

Administration expenses for the six months ended June 30, 2005 at \$619,407 was higher by \$327,916 (113%) as compared to the amount of \$291,491 incurred for the six months ended June 30, 2004.

Administration expenses for the three months ended June 30, 2005 at \$393,356 was higher by \$282,727 (256%) as compared to the amount of \$110,629 incurred for the three months ended June 30, 2004.

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The increase in administration expenses for the six months and three months ended June 30, 2005 were attributed mainly to increases in:

- o the number of professional employees to cater to the expanding and growing business. The increase in staff went from an average of four for the six months ended June 30, 2004 to eleven for the six months ended June 30, 2005. Similarly, for the three months ended June 30, 2004 the average headcount went from four to fourteen for the three months ended June 30, 2005. The increase in headcount for the six months resulted in staff cost increasing by \$150,786 from \$25,450 to \$176,236. The increase in headcount for the three months resulted in staff cost increasing by \$95,149 from \$12,612 to \$107,761.
- o depreciation and license amortization attributed to the leasehold improvements for the expansion of the office and new editing suites to cater to the demands of the growing business. The increase in license amortization came from the on-line games license and gaming license in Cambodia. The increase for the six months and three months ended June 30, 2005 as compared to the six months and three months ended June 30, 2004 were \$65,850 and \$59,484 respectively.
- o rentals from the office expansion. The increase for the six months and three months ended June 30, 2005 as compared to the six months and three months ended June 30, 2004 were \$26,468 and \$18,880 respectively.

Net Income

For the six months ended June 30, 2005, net income was \$198,746 which decreased by \$186,354 (48%) from \$385,100 for the six months ended June 30, 2004. The decrease in net income was due to significantly higher cost of services and administrative expenses offset by lower provision of tax for the six months ended June 30, 2005.

For the three months ended June 30, 2005, net income was \$26,421 which increased by \$212,347 (114%) from a negative of \$185,926 for the three months ended June 30, 2004. The significant increase in net income was due to the lower cost of services, distribution expenses and higher tax credits offset by higher administrative expenses.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash at \$1,179,233 at June 30 2005 as compared to cash of \$644,319 at December 31, 2004.

The Company does not finance its operations through short-term bank credit, long-term bank loans nor leasing arrangements with financial institutions as it believes that cash generated from its operations will be able to cover its daily running cost and overheads.

During the six months ended June 30, 2005, the Company had not entered into any transactions using derivative financial instruments or derivative commodity instruments nor held any marketable equity securities of publicly traded companies. Accordingly the Company believes its exposure to market interest rate risk and price risk is not material.

Cash generated from operations will not be able to cover the Company's intended growth and expansion. The Company has plans in 2005 to expand its broadband coverage by launching new broadband sites in North America, Europe and Australia. The Company also plans to open new subsidiaries in the last two quarters of 2005 in Canada and Europe.

In 2005, the Company intends to launch more broadband entertainment and education content sites. In the area of E-commerce, the Company plans to launch two new shopping malls online for health and wellness products, and DVDs, in the third quarter of 2005.

The Company has completed its prototype content for 3G (third generations) mobile phones. The Company is working with telecommunication companies and mobile operators on the possibility of launching this new content in the third quarter of 2005.

The Company had secured an on-line games franchise for six countries (Australia, New Zealand, Thailand, Indonesia, China and Singapore) in 2004. The Company completed the development of the on-line games platform and micro-payment gateway which are targeted for launch in the third quarter of 2005.

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In May 2005, the Company had contracted to acquire a 20% equity position in Indie Vision Films, Inc, a California corporation which owns rights to a library of films. As at June 2005, the Company has paid \$100,000 which represents 4.76% of equity position. The balance will be paid pursuant to the terms of the agreement. Upon completion of the transaction, the investment shall stand at \$500,000. Through this investment the Company and Indie Vision Films, Inc can collaborate in broadband media broadcasting ventures.

In June 2005, the Company acquired the rights to a digit games license in Cambodia to conduct digit games (lottery) in Cambodia. The cost of the license is \$3,300,000. In July 14, 2005, the Company paid an additional \$1,390,000 to increase the license fee from \$3,300,000 to \$4,690,000 and to reduce the royalty fees payable by the Company under the terms of the agreement. As of the date of this report the entire amount of \$4,690,000 has been paid.

The Company is continuing to raise additional equity through sales of its common stock to fund all business expansions.

For the six months period ended June 30, 2005, the Company raised an amount of \$7,184,500, net of issuance costs, through private placements of the Company's common stock to accredited investors only.

The Company believes that it can continue to raise more capital funds, through private placements to fund its expansion growth. At the date of this report, the Company raised a further \$2,430,000 through the private placement of shares of common stock at \$3 a share to accredited investors.

INVESTMENTS

On May 16, 2005 the Company through its wholly owned subsidiary, M2B World Pte Ltd paid S\$75,000 (equivalent to US\$45,431) for an 8.4% equity position in Activ Lifestyle Pte Ltd , a company incorporated in Singapore. The business of Activ Lifestyle Pte Ltd is in the distribution and trading of health and lifestyle products.

On May 27, 2005 the Company through its wholly owned subsidiary, M2B World Inc paid \$100,000 for a 4.76% equity position in Indie Vision Films, Inc. The business of Indie Vision Films, Inc is in the distribution of films.

NEW CONTRACTS

- o Contract with United Power of Japan signed on March 18, 2005. M2B will launch 8 broadband channels in Japan that will be available on television sets in Japanese households. The contract has an option for United Power to exercise within 6 months that will give M2B a minimum guarantee of 50,000 subscribers for \$1.2 million a year. Thereafter for every subscriber, M2B will be paid \$2.50 per subscriber per month.
- o Contract with Sapphire Management, a company of Echelon Entertainment, a California company, signed on March 6, 2005 for distribution of DVDs worldwide. This is on a revenue sharing basis.
- o Letter of agreement signed with Singapore Telecommunications Ltd on May 23, 2005 to extend the original contract dated July 26, 2004 pursuant to which M2B agreed to provide certain content services via Internet platforms, including the provision of four broadband entertainment sites with 26 channels for an exclusive high megabit broadband service with Singapore Telecommunications Ltd. This service has now been extended to cover 3G (Third Generation) wireless mobile phones.
- o Cooperation Agreement signed on May 10, 2005 on the Development of Movies Entertainment Platform with Chengdu Happy Digital Network & Information Technology Co Ltd, a subsidiary of China Telecom, of the People's Republic of China for the cooperation between parties on the development of the Happydigi Movies Entertainment Platform Website.
- o Contract with a British Virgin Islands company signed on May 31, 2005 to operate and conduct digit games in Cambodia and to manage the digit games activities in Cambodia. In exchange for the license to M2B to enable M2B to manage, operate and conduct digit games activities in Cambodia for a minimum period of eighteen (18) years, M2B agreed to pay a total of \$3.3 million. Under the terms of the agreement, the British Virgin Islands company is entitled to certain royalty fees.

ITEM 3. Controls and Procedures

Our President and Treasurer/Chief Financial Officer (the "Certifying Officers") are responsible for establishing and maintaining disclosure controls and procedures and internal controls and procedures for financial reporting for the Company. The Certifying Officers have designed such disclosure controls and procedures and internal controls and procedures for financial reporting to ensure that material information are made known to them, particularly during the period in which this report was prepared. The Certifying Officers have evaluated the effectiveness of the Company's disclosure controls and procedures and internal controls and procedures for financial reporting as of June 30, 2005 and believes that the Company's disclosure controls and procedures and internal controls and procedures for financial reporting are effective based on the required evaluation. There have been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II. OTHER INFORMATION

Item 1. Legal proceedings

No disclosures are required pursuant to Item 103 of Regulation S-B, taking into account Instruction 1 to that Item.

Item 2. Unregistered sales of equity securities and use of proceeds

During the six months ended June 30, 2005, the Company sold 2,468,000 "restricted" shares of common stock of the Company in a private placement at \$3.00 per share to "accredited investors", as that term is defined in Regulation D of the Securities Act of 1933. The Company paid \$219,500 in consulting fees in connection with such sales. The proceeds of the sales were used for growth and expansion of the business. The shares of the Company's common stock were issued and sold in reliance upon the exemption provided by Section 4(2) and Section 505 and/or 506 of Regulation D of the Securities Act of 1933.

Item 3. Defaults on senior securities NONE

Item 4. Submission of items to a vote NONE

Item 5. Other information NONE

Item 6.

(a) Exhibits

Exhibit No. -----	Description -----
Exhibit 31	CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT
Exhibit 32	CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT

b) Reports on 8K during the quarter:

The Company filed Forms 8-K on June, 14, 2005, June 8, 2005, June 2, 2005, and April 28, 2005.

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SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 16, 2005

AMARU, INC.

By /s/ Colin Binny

President

By /s/ Francis Foong

Chief Financial Officer

CERTIFICATION

We, Colin Binny, Chairman and President and Francis Foong, Chief Financial Officer of Amaru, Inc (the "Company" or the "registrant") certify that:

1. We have reviewed this quarterly report on Form 10-QSB of the Company;
2. Based on our knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on our knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. We are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) [language omitted pursuant to SEC Release 34-47986] 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) [Omitted pursuant to SEC Release 34-47986];

(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 in this quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. We 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 affect 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.

Date: August 16, 2005

/s/ Colin Binny

President

/s/ Francis Foong

Chief Financial Officer

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Exhibit 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT

In connection with the Report of Amaru, Inc. (the "Company") on Form 10-QSB for the quarter ended June 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Colin Binny President (Chief Executive Officer) and Francis Foong, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(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 result of operations of the Company.

/s/ Colin Binny

President
August 16, 2005

/s/ Francis Foong

Chief Financial Officer
August 16, 2005