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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 September 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 November 16, 2005: 31,228,000 shares.

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

<PAGE>

TABLE OF CONTENTS

<PAGE>

PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

TABLE OF CONTENTS

<PAGE>
<TABLE>

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

<S>	SEPTEMBER 30, 2005 <C>	DECEMBER 31, 2004 <C>
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,183,127	$ 644,319
Accounts receivable	840,626	239
Other receivable	--	680,737
Other current assets	196,375	5,576
Total current assets	3,220,128	1,330,871
Non current assets		
Property and equipment, net	3,748,842	520,360
Product development, net	94,251	181,948
Investments	175,070	--
License, net	7,609,643	2,420,227
Total non current assets	11,627,806	3,122,535
Total assets	$14,847,934	$ 4,453,406
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 232,637	$ 126,345
Accounts payable- related parties	--	473,792
Deferred tax liability	--	36,760
Advances from related parties	88,694	179,736
Total current liabilities	321,331	816,633
Commitments and Contingency	--	--
Shareholders' equity		
Series A convertible preferred stock (par value $0.001) 5,000,000 shares authorized: 0 shares issued and outstanding at September 30, 2005 and December 31, 2004, respectively	--	--
Common stock (par value $0.001) 200,000,000 shares authorized; 30,478,000 shares issued and outstanding at September 30, 2005 and 27,200,000 at December 31, 2004 respectively	30,478	27,200
Paid in capital	12,213,973	2,932,751
Subscribed common stock, 500,000 and 0 shares at September 30, 2005 and December 31, 2004 respectively	1,500,000	--
Retained earnings	769,225	667,634
Comprehensive gain on currency translation	12,927	9,188
Total shareholders' equity	14,526,603	3,636,773
Total liabilities and shareholders' equity	$14,847,934	$ 4,453,406

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

<PAGE>

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

	FOR THE NINE MONTHS ENDED		FOR THE THREE MONTHS ENDED	
	SEPTEMBER 30, 2005	SEPTEMBER 30, 2004	SEPTEMBER 30, 2005	SEPTEMBER 30, 2004
Revenue:				
Entertainment Services:				
Licensing, advertising and subscription (including $0 and $900,000 to a related party in the quarter ended September 30, 2005 and 2004 respectively; and $0 and $1,800,000 to a related party in the nine months period ended September 30, 2005 and 2004)	$ 2,721,868	$ 3,013,845	$ 450,575	$ 901,485
Gaming Services:				
Digit and on-line games	8,475,652	--	6,511,161	--
Broadband e-Services:				
Consulting, Hosting and Solutions	500,000	--	--	--
Other income	1,976	29,829	1,061	17,978
Total revenue	11,699,496	3,043,674	6,962,797	919,463
Cost of services (including $0 and $998,026 of services purchased from related party in the quarter ended September 30, 2005 and 2004 respectively and $0 and $2,060,430 for the nine months ended September 30, 2005 and 2004 respectively)	10,132,267	2,134,188	6,414,354	1,013,327
Gross profit (loss)	1,567,229	909,486	548,443	(93,864)
Distribution costs	367,958	229,125	167,488	15,709
Administrative expenses	1,135,291	345,886	515,884	118,889
Total expenses	1,503,249	575,011	683,372	134,598
Income (Loss) from operations	63,980	334,475	(134,929)	(228,462)
Other (income) expense:				
Expenses related to public listing	--	89,494	--	25,000
Gain on disposal of fixed assets	(151)	--	(151)	--
Interest expenses	--	1,713	--	768
Interest income	(1,081)	--	--	--
Provision (Benefit) for Income taxes	(36,379)	70,553	(37,623)	(41,845)
Net income (loss)	$ 101,591	$ 172,715	(97,155)	(212,385)
Earnings (loss) per share-basic and diluted	$ 0.00	$ 0.01	$ (0.00)	(0.01)
Weighted average number of common shares outstanding-basic and diluted	28,817,703	19,953,313	30,381,152	20,761,538

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

<PAGE>

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

	Series A Convertible Preferred Stock		Common Stock						
	Number of Shares	Par Value ($0.001)	Number of shares	Par value ($0.001)	Additional Paid-in capital	Subscribed stock	Retained Earnings	Translation gain	Total Shareholders' equity
Balance December 31, 2003	--	$ --	18,136,364	$ 18,136	$ 867,292	$ 128,255	$ 160,696	$ 32,917	$ 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	1,000	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	--	--	3,133,000	3,133	8,846,367	--	--	--	8,849,500
Common stock issued for repayment of account payable	--	--	145,000	145	434,855	--	--	--	435,000
Common stock subscribed (500,000 shares)	--	--	--	--	--	1,500,000	--	--	1,500,000
Net income	--	--	--	--	--	--	101,591	--	101,591
Comprehensive loss on currency translation	--	--	--	--	--	--	--	3,739	3,739
Comprehensive income									105,330
Balance September 30, 2005	--	$ --	30,478,000	$ 30,478	$ 12,213,973	$ 1,500,000	$ 769,225	$ 12,927	$ 14,526,603

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

<PAGE>

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

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	$ 101,591	$ 172,715
Adjustments to reconcile net income to cash and cash equivalents used or provided by operations:		
Amortization	210,741	85,277
Depreciation	74,291	8,778
Gain on disposal of fixed assets	(151)	--
Acquisition of license in exchange for account receivable	--	(1,016,734)
Common stock issued for services	--	45,000
Changes in operation assets and liabilities		
Accounts receivable	(840,387)	54
Other receivables	680,737	18,894
Other current assets	(190,799)	28,495
Accounts payable and accrued expenses	30,740	100,071
Income tax payable	--	22,751
Net cash from operating activities	66,763	(534,699)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of equipment	151	--
Software development reduction	(17,460)	(5,454)
Acquisition of equipment	(3,302,773)	--
Acquisition of license	(5,295,000)	--
Acquisition of investments	(175,070)	--
Net cash (used in) investing activities	(8,790,152)	(5,454)
CASH PROVIDED FROM FINANCING ACTIVITIES		
Payable to related party	(91,042)	277,793
Payments on line of credit	--	(10,604)
Re-capitalization of M2B World Pte.Ltd	--	(26,704)
Issuance of common stock for cash	8,849,500	287,745
Proceeds from stock subscriptions	1,500,000	--
Net cash provided by financing activities	10,258,458	528,230
Effect of exchange rate changes on cash and cash equivalents	3,739	12,876
Cash flow from all activities	1,538,808	953
Cash and cash equivalents at beginning of period	644,319	60,307
Cash and cash equivalents at end of period	$ 2,183,127	61,260
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ --	$ 1,714
Income taxes	$ --	$ 48,479
SUPPLEMENTAL DISCLOSURE OF CASH FLOW 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

</TABLE>

<PAGE>

AMARU INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 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 are 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.

<PAGE>

BASIS OF PRESENTATION

The financial statements included herein is 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 nine months ended September 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 five customers totaling 100% of these related revenues for the nine months ended September 30, 2005 and two customers totaling 100% of these related revenues for the nine months ended September 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.

<TABLE>

<S>	For the nine months ended September 30, 2005 <C>	2004 <C>	For the three months ended September 30, 2005 <C>	2004 <C>
Sales outside Singapore	$ 9,382,502	$ 0	$ 6,954,161	$ 0
Services purchased outside of Singapore	$10,134,178	$ 2,260,430	$ 6,408,758	$ 998,026

</TABLE>

<PAGE>

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.

<PAGE>

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 nine months ended September 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 nine months ended September 30, 2005, the company incurred advertising expenses of $95,290 and $194,634 respectively. For the quarter and nine months ended September 30, 2004, the Company incurred advertising expenses of $2,777 and $203,482 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.

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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:

	September 30, 2005	December 31, 2004
Office equipment	$ 267,512	$ 65,078
Film Library	3,491,695	500,000
Motor vehicle	11,000	--
Furniture, fixture and fittings	94,260	4,578
	3,864,467	569,656
Accumulated depreciation	(115,625)	(49,296)
	$ 3,748,842	$ 520,360

Depreciation expense was $74,291 for the nine months ended September 30, 2005 and $8,778 for the nine months ended September 30, 2004.

4. PRODUCT DEVELOPMENT

Product development consists of the following:

	September 30, 2005	December 31, 2004
Development expenditures	$ 618,561	$ 601,101
Accumulated amortization	(524,310)	(419,153)
	$ 94,251	$ 181,948

Amortization expense was $105,157 for the nine months ended September 30, 2005 and $85,277 for the nine months ended September 30, 2004.

<PAGE>

5. LICENSE

License consists of the following:

	September 30, 2005	December 31, 2004
Software license	$ 2,420,227	$ 2,420,227
On-line game license	605,000	--
Gaming license	4,690,000	--
	7,715,227	2,420,227
Accumulated amortization	(105,584)	--
	$ 7,609,643	$ 2,420,227

Amortization expense was $105,584 for the nine months ended September 30, 2005 and $0 for the nine months ended September 30, 2004.

6. LINE OF CREDIT

The Company has a line of credit, $59,130 for the nine months ended September 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 outstanding balance was zero at both September 30, 2005, and December 31, 2004.

The line of credit was cancelled by management on October 5, 2005. The Company and its subsidiaries do not need the line of credit to fund its short term working capital requirements since the funds generated from its operations are sufficient for this purpose.

7. COMMITMENTS AND CONTINGENCY

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 $55,141 for the nine months ended September 30, 2005 and $13,029 for the nine months ended September 30, 2004.

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

2005	2006	2007	2008	Total
$ 12,450	$ 49,800	$ 49,800	$ 10,375	$ 122,425

LEGAL PROCEEDINGS

On October 20, 2005 a shareholder of the Company filed a lawsuit in Los Angeles Superior Court against the Company and its President, for breach of contract, specific performance, fraud in inducement, conspiracy and injunction relating to the purchase of shares in M2B World Pte Ltd. by such shareholder. The plaintiff seeks damages in the amount of $4,314,246. The Company considers the suit frivolous and the basis of the lawsuit without merit. The Company intends to vigorously defend itself and its President, and the Company is very confident of winning the suit.

<PAGE>

8. GAMING SERVICES

The Company's wholly owned subsidiary, M2B Commerce Limited purchased the rights to a digit games license in Cambodia. The license is for a minimum period of 18 years commencing from June 1, 2005, with an option to extend for a further 5 years or such other period as may be mutually agreed.

9. CAPITAL STOCK

COMMON STOCK ISSUED FOR CASH

For the nine months ended September 30, 2005, Amaru Inc issued 3,133,000 shares of common stock through a private placement at a price of $3.00 per share for a total amount of $9,399,000.

On September 30, 2005, 500,000 shares of common stock were subscribed for through a private placement at a price of $3.00 a share for a total $1,500,000.

This brings the total amount of cash raised through the private placement of shares of common stock at a price of $3.00 a share in the nine months ended September, 2005 to $10,899,000.

Consulting fees of $549,500 associated with the issuance of common stock were deducted from additional paid-in capital during the nine months ended September 30, 2005.

COMMON STOCK ISSUED FOR REPAYMENT OF ACCOUNTS PAYABLE

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

10. 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 September 30, 2005.

The decrease 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 September 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 September 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.

11. SUBSEQUENT EVENT

On October 27, 2005, the Company received $750,000 for the purchase of 250,000 shares of common stock at $3.00 per share through its private placement.

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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-on-demand, 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 digitial 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

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RESULTS OF OPERATIONS

For the nine months and three months ended September 30, 2005 compared with nine months and three months ended September 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 and US Sites:

- Star78.com - an advertising-based Family Entertainment site for international viewers
- Shine8.com - an advertising-based Lifestyle site for international viewers
- Jump29.com - an advertising-based Young Adults site for international viewers
- Dreamstage7.com - an advertising & subscription-based Glamour & Fashion site for international viewers
- Highfashion7.com - an advertising and subscription based designer Fashion site for international viewers
- Dragon78.tv - an advertising & subscription-based Mandarin Entertainment site for viewers in US only
- Chinois78.com - an advertising and subscription based Mandarin Lifestyle site for viewers in US only

Asian Sites:

- Dimension88.com - an advertising & subscription-based Movie site in Singapore only
- Dragon78.com - an advertising & subscription-based Mandarin Entertainment site in Singapore only
- Joy Channel - a subscription based family entertainment site dedicated for United Power viewers in Japan only
- Ideas Broadband - four subscription based entertainment sites (Movie Mania, Executive Online, Glamour Galore, Dragon City) dedicated for Singapore Telecommunications Ltd Ideas Broadband viewers in Singapore only
- Trilogy - a subscription based 3G mobile phone entertainment site dedicated for Singapore Telecommunications Trilogy viewers in Singapore only
- Colours78.com - an advertising and subscription based Mandarin Lifestyle site in Singapore only

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2. EDUCATION SITES

   Asian Sites:

   - Wiz5.com - an advertising & subscription-based Business & Corporate Training site for viewers in Singapore only

   US Sites:

   - Wiz5.us - an advertising & subscription-based Business & Corporate Training site for viewers in US only

3. E-COMMERCE SITES

   International Sites:

   - Starzmall.com - A One-Stop Shopping Paradise
   - Trotteuse.com - A Second-Hand Branded Goods Mall
   - Royalhive.com - A One-Stop Health and Beauty Mall

4. ONLINE GAMES SITE

   - MagicOverLoad.com - Online games 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 new 3G wireless mobile phone entertainment service provided by the Company was launched in Singapore on September 1, 2005.

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 new site in China is targeted for launch in December 2005.

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. On September 27, 2005 the Company raised its investment in Activ Lifestyle Pte Ltd to 12.6%.

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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's investment in Indie Vision Films, Inc stands at 11.1%. The investment will allow M2B World, Inc. to access the library of programs 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 in September 2005. The Company has planned the promotional launch of its new online games site over a three months period from October 2005 to December 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.

A new online e-commerce mall for health and beauty products was designed and built; the new mall called "Royalhive.com" will be launched and promoted in the last 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 AUSTALIA PTY LTD was recently incorporated on June 15, 2005. This subsidiary will handle and oversee the Company's business in Australia.

RESULTS OF OPERATIONS - Nine months ended September 30, 2005 compared to nine months ended September 30, 2004.

SUMMARY

The Company turned in significantly higher revenue for the nine months ended September 30, 2005 at $11,699,496 as compared to $3,043,674 for the nine months ended September 30, 2004. This represents an increase of $8,655,822 (284%). In spite of the higher revenue, net income after tax for the nine months ended September 30,2005 at $101,591 was lower than the net income after tax of $172,715 for the nine months ended September 30, 2004. The decrease was $71,124 (41%).

This was attributed mainly to the higher cost of sales for the nine months ended September 30,2005 as compared to the nine months ended September 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. The management and operations of the digit games (lottery) in Cambodia which commenced in June 2005 also resulted in the higher cost of sales.Another contributing factor was the higher administration expenses incurred to cater to the expanding and growing business.

REVENUE

The revenue for the nine months ended September 30, 2005 was $11,699,496, up $8,655,822 (284%) from $3,043,674 in the nine months ended September 30, 2004. The revenue for the three months ended September 30, 2005 was $6,962,797, up $6,043,334 (657%) from $919,463 in the three months ended September 30, 2004.

The main bulk of the revenue for the nine months and three months ended September 30,2005 was from entertainment services, gaming services and broadband e-services. Entertainment services revenue for the nine months and three months ended September 30,2005 was $2,721,868 and $450,575 respectively.

The gaming services revenue for the nine months and three months ended September 30,2005 was $8,475,652 and $6,511,161 respectively. Broadband e-services revenue for the nine months ended September 30,2005 was $500,000.

Entertainment services revenue registered a slight decrease of $291,977 (10%) from $3,013,845 for the nine months ended September 30,2004 to $2,721,868 for the nine months ended September 30, 2005.

Entertainment services revenue registered a decrease of $450,910 (50%) from $901,485 for the three months ended September 30, 2005 to $450,575 for the three months ended September 30, 2004. The decrease was due to the reorganization and revamp of the broadband sites as part of the restructuring of the Company. This entailed re-organising the broadband sites under different territories so as to diversify customer base and advertising revenues.

The gaming services 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 nine months ended September 30, 2005 was $10,132,267 which increased by $7,998,079 (375%) from $2,134,188 for the nine months ended September 30, 2004.

As a proportion of revenue, the cost of sales for the nine months ended September 30, 2005 was 87% (cost of sales at $10,132,267 and revenue at $11,699,496) as compared to 70% for the nine months ended September 30, 2004 (cost of sales at $2,134,188 and revenue at $3,043,674).

The significant increase in cost of sales of $7,998,079 (375%) for the nine months ended September 30, 2005 was mainly attributed to 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 $8,123,890 of the total cost of $10,132,267 (80%).

This was partly offset by the lower cost of acquisition of contents license rights for the Company's broadband sites. The costs decreased by $196,447 from $2,087,235 for the nine months ended September 30, 2004 to $1,890,788 for the nine months ended September 30, 2005.

The cost of managing and operating the operations and game centers in Cambodia, and acquisition of contents license rights in the nine months ended September 30, 2005 accounted for the 87% proportion of cost of sales to revenue.

The proportion of 87% for the nine months ended September 30, 2005 compared to the 70% for the nine months ended September 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 nine months ended September 30, 2004 as this activity only commenced in June 2005.

Cost of sales for the three months ended September 30, 2005 was $6,414,354 which increased by $5,401,027 (533%) from $1,013,327 for the three months ended September 30, 2004. The significant increase was due to the cost of managing and operating the operations and game centers in Cambodia. This amounted to $6,277,310. As this activity only commenced in June 2005, similar cost was not incurred for the three months ended September 30, 2004.

This increase was partly offset by the decrease in the cost of acquisition of contents license rights for the Company's broadband sites. The costs decreased by $919,078 from $998,026 for the nine months ended September 30, 2004 to $78,948 for the nine months ended September 30, 2005.

As a proportion of revenue, the cost of sales for the three months ended September 30, 2005 at 92% (cost of sales at $6,414,354 and revenue at $6,962,797) registered a slight decrease of 18 percentage points as compared to 110% for the three months ended September 30, 2004 (cost of sales at $1,013,327 and revenue at $919,463).

DISTRIBUTION EXPENSES

Distribution expenses for the nine months ended September 30, 2005 at $367,958 was higher by $138,833 (61%) as compared to the amount of $229,125 incurred for the nine months ended September 30, 2004.

Distribution expenses for the three months ended September 30, 2005 at $167,488 was higher by $151,779 (966%) as compared to the amount of $15,709 incurred for the three months ended September 30, 2004.

The higher expenses in the nine months and three months ended September 30, 2005 were due to the higher spendings on travel. The amount spent on traveling in the nine months and three months ended September 2005 were $141,624 and $65,437 respectively. These expenses were incurred to explore overseas business opportunities , open new markets and service new contracts secured.

Another contributing factor to the higher expenses in the three months ended September 30, 2005 was the higher spendings on the branding of the M2B name and advertising of the broadband sites ($95,290).

GENERAL AND ADMINISTRATIVE EXPENSES

Administration expenses for the nine months ended September 30, 2005 at $1,135,291 was higher by $789,405 (228%) as compared to the amount of $345,886 incurred for the nine months ended September 30, 2004.

Administration expenses for the three months ended September 30, 2005 at $515,884 was higher by $396,995 (334%) as compared to the amount of $118,889 incurred for the three months ended September 30, 2004.

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

- staff costs from the increasing number of professional employees to cater to the expanding and growing business. The increase in staff went from an average of four for the nine months ended September 30, 2004 to thirteen for the nine months ended September 30, 2005. Similarly, for the three months ended September 30,2004 the average headcount went from five to nineteen for the three months ended September 30,2005. The increase in headcount resulted in staff costs for the nine months and three months increasing by $320,462 and $173,112 respectively.

- depreciation and license amortization. The increase in depreciation was attributed to the leasehold improvements for the expansion of the office, new editing suites and laptops provided to staff 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 nine months and three months ended September 30, 2005 as compared to the nine months and three months ended September 30, 2004 were $189,604 and $122,004 respectively.

- rentals from the office expansion. The increase for the nine months and three months ended September 30, 2005 as compared to the nine months and three months ended September 30, 2004 were $42,030 and $15,562 respectively.

Net Income

For the nine months ended September 30, 2005, net income was $101,591 which decreased by $71,124 (41%) from $172,715 for the nine months ended September 30,2004. The decrease in net income was due to significantly higher cost of services for the nine months ended September 30, 2005.

For the three months ended September 30, 2005, net loss was $97,155 which decreased by $115,230 (54%) from a loss of $212,385 for the three months ended September 30,2004. The significant decrease in net loss was due to the lower proportion of cost of sales to revenue for the nine months ended September 30, 2005.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash at $2,183,127 at September 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 nine months ended September 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 quarter of 2005 or early 2006 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 a new online shopping mall for DVDs, in the last 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 online games platform and micro-payment gateway was operational in Singapore in September 2005. The Company has planned the promotional launch of its new online games site over a three months period from October 2005 to December 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 the date of this report, the Company has paid $250,000 which represents 11.1% 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.

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

For the nine months period ended September 30, 2005, the Company raised an amount of $10,349,500, 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 $750,000 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. On September 27,2005 the Company paid a further S$50,000 (equivalent to $29,565) to raise the equity position to 12.6%. 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. At the date of this report, the Company paid a further $150,000 to increase the equity position to 11.1%. The business of Indie Vision Films, Inc is in the distribution of films.

NEW CONTRACTS

- 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.

- 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.

- 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.

- 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.

- Contract with Allsports Limited, 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 $4.69 million. Under the terms of the agreement, Allsports Limited is entitled to 1.5% royalty fees.

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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 September 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

On October 20, 2005 a shareholder of the Company filed a lawsuit in Los Angeles Superior Court against the Company and its President, for breach of contract, specific performance, fraud in inducement, conspiracy and injunction relating to the purchase of shares in M2B World Pte Ltd. by such shareholder. The plaintiff seeks damages in the amount of $4,314,246. The Company considers the suit frivolous and the basis of the lawsuit without merit. The Company intends to vigorously defend itself and its President, and the Company is very confident of prevailing in this action.

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

During the nine months and three months ended September 30, 2005, the Company sold 3,778,000 and 1,310,000 respectively of 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. For the nine months and three months ended September 30, 2005 the Company paid $549,500 and $330,000 respectively of 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 July 20, 2005 ,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.

AMARU, INC.

Date: November 16, 2005

By /s/ Colin Binny

President

By /s/ Francis Foong

Chief Financial Officer

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Exhibit 31

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: November 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 September 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
November 16, 2005

/s/ Francis Foong

Chief Financial Officer
November 16, 2005