UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

AMENDMENT NO. 1

FORM 10-QSB

(Mark One)
(X) Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended December 31, 1998

( ) For the transition period from __________ to __________

Commission file number: 333-28861

MIRAGE HOLDINGS, INC.
(Exact name of small business issuer as specified in its charter)

NEVADA	95-4627685
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

233 WILSHIRE BOULEVARD, SUITE 930B, SANTA MONICA, CA 90401
(Address of principal executive offices) (Zip Code)

(310) 395-4073 / (310) 656-3055
(Issuer's telephone/facsimile numbers, including area code)

Check whether the issuer: (1) 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 issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

The issuer had 2,888,465 shares of its $.001 par value Common Stock issued and outstanding as of February 11, 1999.

Transitional Small Business Disclosure Format (check one)

Yes No X

MIRAGE HOLDINGS, INC.

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<TABLE>
<CAPTION>

</TABLE>

PART I - FINANCIAL INFORMATION

ITEM 1

MIRAGE HOLDINGS, INC.
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1998
(UNAUDITED)
ASSETS

<TABLE>

<S>	<C>
CURRENT ASSETS:	
Cash	$ 298,357
Accounts receivable	728,244
Other receivables	75,681
Total current assets	1,102,282
PROPERTY AND EQUIPMENT, net of accumulated depreciation and amortization	193,666
OTHER ASSETS:	
Deposits	5,080
Goodwill	3,118,114
Total other assets	3,123,194
	$ 4,419,142

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:	
Accounts payable and accrued expenses	$ 895,047
Notes payable	110,400
Current maturities of obligations under capital lease	6,427
Loans payable, related party	18,910
Loans payable, stockholders	193,172
Total current liabilities	1,223,956
OBLIGATIONS UNDER CAPITALIZED LEASES, less current maturities	14,169
MINORITY INTEREST	173,155
STOCKHOLDERS' EQUITY:	
Common stock; $.001 par value, 25,000,000 shares authorized, 2,768,465 shares issued and outstanding	2,768
Additional paid-in capital	4,640,556
Accumulated deficiency	(1,635,462)
Total stockholders' equity	3,007,862
	$ 4,419,142

</TABLE>

See notes to financial statements.

MIRAGE HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

<S>	Six months ended December 31, 1998 (unaudited) <C>	Six months ended December 31, 1997 (unaudited) <C>	Three months ended December 31, 1998 (unaudited) <C>	Three months ended December 31, 1997 (unaudited) <C>
NET SALES	$ 2,523,823	$ 87,226	$ 1,186,989	$ 31,621
COST OF SALES	-	65,772	-	33,673
GROSS PROFIT	2,523,823	21,454	1,186,989	(2,052)
OPERATING EXPENSES	3,081,497	280,898	1,767,241	179,234
OTHER INCOME/(EXPENSE)	(34,272)	38,919	(59,469)	0
NET INCOME BEFORE INCOME ALLOCATED TO MINORITY INTERESTS	(591,946)	(220,525)	(639,721)	(181,286)
MINORITY INTEREST INCOME	(168,146)	-	(35,296)	-
NET LOSS	$ (760,092)	$ (220,525)	$ (675,017)	$ (181,286)
NET LOSS PER SHARE:				
Basic	($0.33)	($0.12)	($0.29)	($0.10)
Diluted	($0.23)	($0.09)	($0.20)	($0.08)
WEIGHTED AVERAGE SHARES OUTSTANDING:				
Basic	2,337,180	1,814,065	2,337,180	1,814,065
Diluted	3,357,940	2,331,065	3,357,940	2,331,065

</TABLE>

See notes to financial statements.

MIRAGE HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

<TABLE>
<CAPTION>

<S>	Six months ended December 31, 1998 <C>	Six months ended December 31, 1997 <C>	Three months ended December 31, 1998 <C>	Three months ended December 31, 1997 <C>
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Net loss	$ (760,092)	$ (220,525)	$ (675,017)	$ (181,286)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Depreciation and amortization	79,691	1,814	71,175	-
Gain(loss) on sale of marketable securities	-	(38,919)	-	-
Non-cash compensation expense	566,000	-	566,000	-
Minority interest income	168,146	-	35,296	-
CHANGES IN ASSETS AND LIABILITIES:				
(INCREASE) DECREASE IN ASSETS:				
Accounts receivable	(222,323)	1,071	127,012	1,320
Other receivables	(15,160)	-	11,778	-
Loan receivable	-	(136,550)	-	(79,434)
Inventory	-	30,767	-	15,287
Deposits	(687)	-	(687)	-

INCREASE (DECREASE) IN LIABILITIES - accounts payable and accrued expenses	(114,153)	54,574	(270,037)	68,149
Total adjustments	461,514	(87,243)	540,537	5,322
Net cash provided by (used for) operating activities	(298,578)	(307,768)	(134,480)	(175,964)
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES:				
(Purchase) sale of investments, net	(161,539)	79,999	35,273	-
Purchase of property, plant and equipment	(118,752)	(5,051)	(58,445)	(5,051)
Net cash provided by (used for) investing activities	(280,291)	74,948	(23,172)	(5,051)
CASH FLOWS PROVIDED BY (USED FOR) FINANCING ACTIVITIES:				
Issuance of common stock and warrants, net	1,009,989	-	27,716	-
Proceeds from (payments on) notes payable, net	(228,300)	236,008	(20,000)	196,008
Payments on loan payable, related party	(100,000)	-	-	-
Deferred offering costs	203,813	-	-	-
Payments on capital lease obligations	(2,758)	-	-	-
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES:	882,744	236,008	7,716	196,008
NET INCREASE (DECREASE) IN CASH	303,875	3,188	(149,936)	14,993
CASH AND EQUIVALENTS, beginning of period	(5,518)	33,079	448,293	21,274
CASH AND EQUIVALENTS, end of period	$ 298,357	$ 36,267	$ 298,357	$ 36,267
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION - interest expense	$ 12,294	$ 9,827	$ 2,912	$ 6,563
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES				
Issuance of 490,000 shares of common stock per stock purchase agreement	$2,523,500	$ -	$ -	$ -
Issuance of 175,000 shares of common stock per stock purchase agreements	$ 566,000	$ -	$ 566,000	$ -

</TABLE>

See notes to financial statements.

MIRAGE HOLDINGS, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

<TABLE>
<CAPTION>

	Common stock Shares	Common stock Amount	Additional paid-in capital	Accumulated Deficiency	Total stockholders' equity/ (deficiency)
<S>	<C>	<C>	<C>	<C>	<C>
Balance at July 1, 1997	1,814,065	$ 1,814	$ 562,021	$ (289,891)	$ 273,944
Redemption of common stock issued through private offering	(40,000)	(40)	(19,960)	-	(20,000)
Net loss for the year ended June 30, 1998				(585,479)	(585,479)
Balance at June 30, 1998	1,774,065	1,774	542,061	(875,370)	(331,535)
Common stock and warrants sold through initial public offering	251,000	251	987,733	-	987,984
Issuance of common stock relating to stock purchase agreements	640,000	640	2,995,510	-	2,996,150
Exercise of stock options	75,000	75	94,000	-	94,075
Exercise of warrants to convert to common stock	28,400	28	21,252	-	21,280
Net loss for the six months ended December 31, 1998 (unaudited)				(760,092)	(760,092)
Balance at December 31, 1998 (unaudited)	2,768,465	$ 2,768	$ 4,640,556	$(1,635,462)	$ 3,007,862

</TABLE>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS - MIRAGE HOLDINGS, INC. 10QSB

PRINCIPLES OF CONSOLIDATION:

The accompanying financial statements include the accounts of the Company and its wholly-owned subsidiary, Mirage Collection, Inc. and its majority owned subsidiaries of Network Solutions (Pvt) Limited and Netsol (U.K.) Limited, which are sister companies. All material intercompany accounts have been eliminated in consolidation.

BUSINESS COMBINATION:

During September 1998, the Company entered into a stock purchase agreement with Network Solutions Pvt Limited ("Netsol Pvt"), and NetSol (U.K.) Limited ("NetSol UK"), a United Kingdom Corporation and sister company. As consideration, the Company will pay an aggregate purchase price of $ 775,000 plus 490,000 common shares of the Company in exchange for 51% of the issued and outstanding stock of NetSol Pvt and 43% of the issued and outstanding stock of NetSol UK.

The acquisition has been accounted for as a purchase transaction and, accordingly, the fair value of the Company's stock that was issued was allocated to assets and liabilities based on estimated fair value as of the acquisition date. The excess value of the Company's stock over and above the value of the net assets received has been recorded as goodwill to be amortized on the straight-line basis over 15 years. Amortization expense of $61,832 has been recorded in the consolidated financial statements for the period ended December 31, 1998.

INITIAL PUBLIC OFFERING:

The Company completed the sale of its minimum offering of shares in its initial public offering on September 16, 1998. The minimum offering was for 251,000 shares of common stock and 929,825 warrants, which generated gross proceeds of $1,385,647. Deferred offering costs relating to the initial public offering have been netted against additional paid-in capital. Subsequently, the Company has sold an additional 56,667 warrants through December 31, 1998, which generated gross proceeds of $5,667.

MINORITY INTEREST:

The minority interest shown on the accompanying balance sheet represents the minority stockholders share of the estimated fair value as of the acquisition date and the minority interest share of earnings for the period from the acquisition date to the period ended December 31, 1998.

ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THE COMPANY

Mirage Holdings, Inc. ("Company") was incorporated under the laws of the state of Nevada on March 18, 1997. The Company's address is 233 Wilshire Boulevard, Suite 930B, Santa Monica, California 90401 and its telephone number is (310) 395-4073. Mirage Collection, Inc. ("Mirage Collection"), a wholly owned subsidiary of Mirage Holdings, Inc., began business as a partnership in July, 1995, and was reorganized into a corporation in the State of Nevada pursuant to Internal Revenue Code Section 351 on April 1, 1997. The Company was formed to market and sell fashions targeted towards the segment where discriminating customers are always looking for unique and innovative products. The origin of these designs is mainly from India and Pakistan but not limited to these countries.

While the fashion industry has slowed, the Company entered into the technology industry in 1998 with the purchase of a majority interest in Network Solutions (PVT) Limited, a software development firm in Lahore, Pakistan ("NetSol"). The principal business of NetSol is the development and export of software. Through its affiliation with NetSol, the Company can assist NetSol in marketing its software development services to North American and European clients. The Company also purchased 43% of the outstanding capital stock of NetSol (U.K.) Limited, a corporation organized under the laws of the United Kingdom ("NetSol UK"), which is a sister company to NetSol. The Company paid a total purchase price for the interest in NetSol and NetSol UK of $775,000 plus 490,000 shares of common stock of the Company.

RESULTS OF OPERATIONS

Three Months Ended December 31, 1998 as compared to the Three Months Ended December 31, 1997.

NET SALES

Net sales of $1,186,989 were reported for the second quarter of fiscal 1999, *which ended December 31, 1998. This is an increase of $1,155,368 from $31,621 in the same period of fiscal 1998. The sales increase is solely attributed to the 51% acquisitions of NetSol and 47% of NetSol UK in March 1997 and September 1998, respectively. Management concludes the continued growth of NetSol and NetSol UK produced the revenue increases. Both of these software companies have a strong customer base in Europe and Asia Pacific regions.*

The net sales of the Company for six months ended December 31, 1998 were $2,523,823 in comparison with $87,226 for the same period the previous year. Again, the management finds the increase in sales was solely attributable to the 51% acquisition of NetSol and NetSol UK.

OPERATING PROFITS OF NETSOL AND NETSOL UK

NetSol posted income from operation of $41,265 in the first six months ended December 31, 1998 which is an increase form loss from operations of $128,424 in the same period 1997. NetSol UK posted income from operation of $221,201 in the first six months ended December 31, 1998. This was the first year in operation for NetSol UK as it was formed in January 1998.

COST OF SALES, GROSS PROFIT AND NET LOSS

The gross profit was $1,186,989 in the quarter ending December 31, 1998 in comparison with a loss of $2,052 for the same quarter the previous year. The gross profit for the six months ended December 31, 1998 was $2,523,823 in comparison with $21,454. The cost of sales for the quarter ending December 31, 1998 was zero as compared to $33,673 for the same quarter last year. The cost of sales for the six months ended in December 31, 1998 was nothing as compared to the previous year at $65,772.

The Company issued 150,000 shares of restricted Company stock to its former director and officer at the time of termination. Similarly, the Company issued 25,000 options to former employees of the Company with an exercise price below the fair market value. Such issuances below the fair market value was an expense to the Company resulting in a net loss of $675,017 for the quarter ending in December 31, 1998. However, this is a non-cash event. This in comparison with the same quarter in 1997, the Company experienced a net loss of $181,286. Again, the difference of $493,731 is mainly attributed to the issuance of shares under fair market value to previous employees of the Company. The net loss of six months ended December 31, 1998 was $760,092 compared with $220,525 for the same period in 1997. Again, the management concludes the significance in the loss is due to the issuance of shares discussed above.

OPERATING EXPENSES

Operating expenses were $1,767,241 of net sales during the quarter ending December 31, 1998. This compares with $179,234 for the quarter ending December 31, 1997.

Operating expenses for the quarter ending December 31, 1998 increased $1,588,007 compared to the same time period in 1997. The difference was primarily due to an increase in expenses due to the acquisition of NetSol which increased profits but also increased expenses.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary cash requirements are for capital expenditures and operating expenses, including labor costs, raw materials purchases, and funding of accounts receivable. The Company's primary sources of cash have been from operations of NetSol.

Accounts receivable was $127,012 in the quarter ending December 31, 1998. Other receivables in the quarter ending December 31, 1998, was $11,778. There were no accounts receivable in the same quarter of the previous year due to the nature of the Company's business at that time. During the six months ended December 31, 1998, there was an increase of $222,323 in the accounts receivable compared with a $1,071 decrease for the same period. During fiscal year 1998, the Company's retail operation was under the cash and carry method of accounting and the Company did not have any specific type of accounts receivable.

The increase in the receivables is due to the increase in sales volume with the acquisition of NetSol.

The Company's current plans require additional capital expenditures for the remainder of the year of approximately $150,000. Year to date, the Company has expended approximately $1,767,241. The Company believes the additional funds received from the sale of shares and warrants from the initial Public Offering will generate sufficient capital to finance its operations and anticipated capital expenditures through fiscal 1999.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On October 26, 1998 the Company's Board of Directors terminated Mr. Gill Champion as the Company's Chief Financial Officer. There is currently a dispute between Mr. Champion and the Company regarding the status of certain options and shares of the Company's stock.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS:

(27) Financial Data Schedule

(b) REPORTS ON FORM 8-K:

Filed December 9, 1998 report of termination of Chief Financial Officer and Director; appointment of new Chief Financial Officer; and Company's movement into technology industry.

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.

MIRAGE HOLDINGS, INC.
(Registrant)

Date: February 26,1999

/s/ Najeeb Ghauri

NAJEEB U. GHAURI
President, Chief Executive Officer, Chief Financial Officer, and Secretary

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