



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF ACQUISITION OF SHAREHOLDING OF M/S.
MASOOD TEXTILE MILLS LIMITED BY M/S. VELORA GLOBAL VENTURES-
F.Z.C FROM M/S. SHANGHAI CHALLENGE TEXTILE COMPANY LIMITED AND
M/S. ZHEJIANG XINAO INDUSTRY COMPANY LIMITED**



CASE: 1624/Merger-CCP/2026


Ms. Bushra Malik
Member

ORDER

1. The Competition Commission of Pakistan (the “Commission”) received a pre-merger application (the “Application”) from M/s. Velora Global Ventures-F.Z.C (the “Notifying Party” or the “Acquirer”), seeking approval for the acquisition of shareholding of M/s. Masood Textile Mills Limited (the “Target”) from M/s. Shanghai Challenge Textile Company Limited (the “Seller 1”) and M/s. Zhejiang Xinao Industry Company Limited (the “Seller 2”) (collectively referred to as “Sellers”), pursuant to the terms of a Share Purchase Agreement dated 27th July, 2026 (the “Agreement”).
2. The Application was filed under Section 11 of the Competition Act, 2010 (the “Act”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “Merger Regulations”).

Merger Parties

Acquirer

3. M/s. Velora Global Ventures-F.Z.C. is a limited liability company incorporated and registered with the Ajman Free Zone Authority on 26th June, 2025. It is primarily engaged in the wholesale trading of textiles and clothing, as well as commercial brokerage activities outside Pakistan. It has two associated companies, namely M/s. Gulf Textile Sourcing F.Z.C. and M/s. Zara Textile Trading F.Z.C., which are engaged in downstream textile sourcing and trading activities, including international customer development and order coordination, outside Pakistan.

Target

4. M/s. Masood Textile Mills Limited is a public listed company incorporated under the laws of Pakistan on 3rd October 1984. It is principally engaged in the manufacturing and sale of cotton and synthetic fibre yarn, knitted and dyed fabrics, and garments.

Sellers

M/s. Shanghai Challenge Textile Company Limited is incorporated under the laws of the People’s Republic of China. It holds shareholding of the Target.

M/s. Zhejiang Xinao Industry Company Limited is incorporated under the laws of the People’s Republic of China. It holds shareholding of the Target.



Transaction

7. According to the Application and Agreement, the Acquirer proposes to acquire shares () from Seller 1, out of its total shareholding of shares (), and shares () from Seller 2. Accordingly, the Acquirer will acquire an aggregate of shares, representing of the ordinary shares of the Target.
8. The total consideration for the proposed acquisition is USD equivalent to approximately PKR which is deemed to be the transaction value (the "Transaction").

Phase-I Competition Assessment

Procedural Review

9. Based on the Application, the Commission conducted a Phase-I competition assessment with Section 11 of the Act and the Merger Regulations to determine whether the proposed Transaction may result in a substantial lessening of competition or the creation or strengthening of a dominant position in the relevant market.

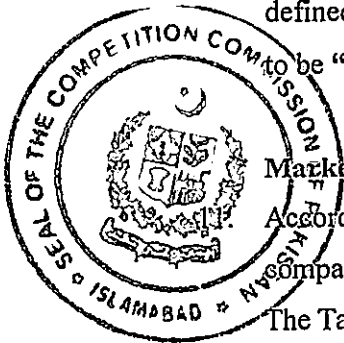
Relevant Market

10. The Target is principally engaged in the manufacture and export of yarn, knitted and dyed fabrics, and garments whereas the Acquirer has no pre-merger market presence in Pakistan. For the purpose of the present assessment, the relevant product market is defined as "Yarn and Knitted Fabric". The relevant geographic market is considered to be "Pakistan".

Market Share

According to the Application, the aggregate net local sales of the listed textile companies, including the Target, amounted to PKR million during FY2025.

The Target recorded net local sales of PKR million, representing approximately of the aggregate net local sales. The Acquirer has no market presence in Pakistan prior to the proposed transaction, with a pre-merger market share of nil. Accordingly, the proposed acquisition is not expected to result in any material change in the Target's output, domestic sales, or market position.



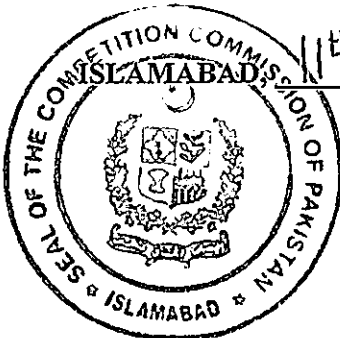
Competition Analysis

12. The transaction gives rise to a potential vertical relationship, as the Acquirer is engaged in the wholesale trading of textiles and clothing and commercial brokerage activities outside Pakistan, while the Target is engaged in the manufacture and sale of cotton and synthetic fibre yarn, knitted and dyed fabrics, and garments. However, given the nature and scope of the parties' respective activities, the vertical relationship is not expected to give rise to any competition concerns.
13. Therefore, the transaction is not likely to substantially lessen competition, by creating or strengthening a dominant position. Moreover, it does not create entry barriers or significantly enhance the market power of the Acquirer, post-transaction.

Determination

14. The Commission concludes that the Proposed Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations. The Proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
15. Without prejudice, it is hereby clarified that the present assessment is strictly limited to the review of the transaction under Section 11 of the Act.
16. Notwithstanding the, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.
17. It is so ordered.


Ms. Bushra Malik
Member



11th September, 2026