Choosing the Right Stock Exchange

There is no single best stock exchange for every company; the right venue depends on a company's unique mix of short-term needs and long-term strategic goals.

Management and entrepreneurs should evaluate exchanges against practical attributes that determine whether a listing will accelerate growth, attract the right investors, and support future financing and exit options.

Choosing the right stock exchange is a strategic decision based on multiple key attributes:

- ☑ Understand listing requirements and timing to ensure feasibility and cost-effectiveness
- ☑ Evaluate the regulatory and reporting regime for governance and investor confidence
- ☑ Consider the investor base and liquidity profile to match your shareholder goals
- ☑ Sector fit and index inclusion enhance analyst coverage and valuation
- ☑ Factor in cost structure and market mechanics, including trading hours and settlement cycles, for operational efficiency
- ☑ Weigh brand visibility and access to follow-on capital

A disciplined, attribute-driven approach aligns strategy with growth and financing needs.

"We work alongside local advisers and sponsors in each market to deliver the best outcome for our clients."

At M-Bridge Advisory, we assess each attribute with you and help you making the right choice.

There is no one-size-fits-all when comparing stock exchanges. For the purposes of this article, let's focus on comparing London Stock Exchange (LSE) Main Market's Equity Shares Commercial Companies category (ESCC) and Hong Kong Stock Exchange (HKEX)'s Main Board.

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Request a confidential market-fit assessment:

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In general, the LSE emphasises a disclosure-based regime and broader investor access in London, while the HKEX requires a clearer three-year track record and specific financial tests. Choose the market that matches your financial/size profile, shareholder goals, regulatory tolerance, and sector fit.

Listing requirements comparison: LSE Main Market (ESCC) vs HKEX Main Board

	LSE Main Market (ESCC)	HKEX Main Board
Minimum financial test	Minimum market cap of £30m, otherwise no single numeric floor; eligibility based on disclosure, viability and suitability under new ESCC rules	Three alternative tests: 1) Profit test (HK$35m recent year/ HK$45m aggregate for first 2 years); 2) Market cap/ Revenue/ Cash Flow test (Market cap >HK$2b + Revenue >HK$500m recent year + Operating CF >HK$100m over 3 years); 3) Market cap/ Revenue test (Market cap >HK$4b + Revenue >HK$500m recent year)
Trading record, Management, Ownership	No fixed multi-year profit track record, management or ownership requirements under its disclosure-based regime	Minimum 3 years trading record. Management continuity for >3 preceding years Ownership continuity and control for most recent year
Minimum public float	10% (excluding shareholders holding 5%+, directors, connected persons, or subject to 180+ days lock-ups)	Typically 25%, or a lower % accepted by HKEX at time of listing. Ongoing public float can be reduced to 10% with market cap at >HK$1b with HKEX approval)
Minimum number of shareholders	No such requirement	At least 300 public shareholders at listing
Sponsor / sponsor regime	Sponsor required for IPOs and certain transactions, such as RTOs	Sponsor required (sponsor-led listing process is mandatory)
Prospectus / disclosure	Prospectus requirement reduced under new UK prospectus regime; disclosure-based filings and FCA checks	Full listing document (prospectus) and HKEX vetting; detailed financial disclosures required
Accounting & reporting standards	UK-adopted IFRS; annual audited (within 4 months) and half yearly interim results (within 3 months)	IFRS, HKFRS or equivalent; annual audited (within 4 months) and half yearly interim results (within 3 months)
Corporate governance	UK Corporate Governance Code on a "comply or explain" basis; new regime focuses on disclosure and shareholder protections	Minimum 3 INEDs and one-third INED composition; specific board and audit committee requirements

Data accurate as at January 2026. This material is for general information only and not financial or legal advice.

Typically, prospective issuers who are exploring London and Hong Kong listings may also consider the following alternative options:

London: Alternative Investment Market (AIM): Designed for growth with less stringent regulations, helping younger, high-potential companies raise capital whilst still benefiting firm public market access.

Hong Kong: Special exemptions for Biotech Companies (Chapter 18A) and Specialist Technology Companies (18C).

Specific sectors have modified requirements:

- *Biotech Companies (Chapter 18A):* Can list without profit or revenue if their expected market capitalisation is at least HK$1.5 billion.
- *Specialist Technology Companies (Chapter 18C):* For high-tech sectors, market capitalisation requirements range from HK$2 billion to HK$10 billion depending on whether they are commercialised.

M-Bridge Advisory – How can we help?

An IPO is a pivotal milestone that can accelerate growth, provide liquidity, and position your business for long-term success. But the path to becoming a public company brings heightened scrutiny, complex regulatory demands, and significant execution risk. Therefore, careful preparation is essential. To ensure efficiency is maximised and costs are managed effectively, sufficient preparation work should be done in advance of banks and other advisers are formally appointed.

M-Bridge Advisory supports companies at every stage of this journey, helping management teams anticipate challenges, strengthen internal capabilities, and enter the IPO process fully prepared. Our approach ensures you invest in the right upgrades early, avoid unnecessary costs, and build the foundations for a smooth and credible listing — whether in London, Hong Kong, or any other major exchange.

Our IPO readiness support typically follows a two-phase structure:

1) IPO Readiness Assessment

Successful listings require more than meeting eligibility rules; they demand a coordinated uplift across governance, financial reporting, internal controls, strategy, and leadership. We begin with a pragmatic gap assessment to identify what needs to be improved, what can stay as is, and which actions will have the greatest impact on investor confidence and regulatory compliance.

2) Detailed IPO Readiness Support

Building on the assessment, we develop a tailored roadmap with clear deliverables designed to close identified gaps, meet listing requirements, and align with market expectations. We prioritise initiatives that reduce execution risk, enhance credibility with investors, and streamline the workload for your internal teams.
Throughout the process, you receive hands-on strategic guidance and technical expertise, enabling you to progress with confidence, strengthen your market narrative, and unlock long-term value for shareholders.

M-Bridge Advisory partners with you to turn the IPO from a complex challenge into a meaningful growth milestone, ensuring you are ready for the market you choose and the future you aim to build.

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