# LoMoCoin (LMC)

One thing I learned in my short time in China is the fact, that the Chinese love to play. I had the opportunity to get beaten by an elder Chinese guy in chess a couple times and we both had a great time, without even understanding each other. And when you ride the Subway in Beijing, many Chinese – old and young – love to play games of all kinds on their smartphones. Chess, mahjong, racing games, RPGs, TCGs and so on.

It matches with my personal mentality, as I am a gamer myself and I am not ashamed to admit, that my wife and I played Pokémon Go, as soon as we could install it. Later, we also happened to notice an event related to the game in my hometown. A mall encouraged players, to participate and get special discounts in some shops. We were impressed, that this event drew out so many people and surely upped the revenue of many shops in the area – to see the bridge between online mobile gaming and offline retail shopping being used was fascinating.

But this was still just a single event. Said bridge was created by the shops and the mall. Without the event, the mall would just be another reference point in the map and the inventive for players to spend time inside the mall, is as high as it is for any other bypassing person. LoMoCoin aims (among other things) to provide a permanent bridge between smartphone-users / players, retail shops and crypto currencies. Users of the app can collect LMC while being on a treasure-hunt, which itself was created by a retail shop, to attract the players that collected LMC.

Let's see, if the project is as good as the idea.

Table of contents:

# 1 Publicity

According to their thread on Bitcointalk[1], the team is comprised of 30 individuals of which the six executives can be seen at their website[2]. They are registered in Beijing as a limited under the name of Walibida Technologies.[3]

The CEO Xion Lijian is providing us with some information of himself, information on the rest of the team will be outlined in the upcoming whitepaper. Unfortunately, there are not LinkedIn accounts, and the researchable background is hard to dig into. It is possible to stitch together the information of their old website and their new one, which reveals a bit of the academic background of some of them. I want to thank their community manager, who reached out to me and provided background information regarding some missing information.

**Xiong Lijian**

Being a programmer and later working in management & strategy consulting, he is holding a bachelor degree in engineering from Beijing University of aeronautics and astronautics and a MBA from the Tsinghua University (most prestigious university in China – with a very beautiful campus, I must add). He himself was involved in the R&D of the first Gridseed LTC miner back in 2013. Following this, he created WiiBox, which later merged with Gridseed into SFARDS, an ASIC producer that created the first dual-miner, usable for both BTC and LTC.[4] He also was the CEO of DigInForce, a distributor of Gridseed in China.[5] Besides his experience as an entrepreneur in these companies, he also worked as the vice president for a Chinese subsidiary of a US internet company.[6] Also, he is listed as an advisor for SwftCoin, another blockchain project that has yet to conduct its ICO.[7]

---

[1] https://bitcointalk.org/index.php?topic=2228783

[2] http://www.lomostar.com/index.html

[3] http://www.lomostar.com/other/list_131.html

[4] https://bitcointalk.org/index.php?topic=985400.100

[5] https://bitcointalk.org/index.php?topic=655448.0

[6] https://de.scribd.com/document/362062349/swftcoin-whitepaper pg. 20

[7] http://www.swftcoin.com/

## Wang Xiaodong

According to the old website, he holds a Ph.D. in physics from Fudan University and has long experience in algorithmic research and program implementation. He is listed as having 15 years of experience in programming and 5 years of development in blockchain technology. He also seems to be one of the core-members, that worked together with Xiong Lijian from 2014 onwards to today.



WANG XIAODONG
CTO
Partner

## Zhu Guiliang



ZHU GUILIANG
Product Director

He is the product manager listed on the old website. According to this information, he has a bachelor's degree from Beijing University of Aeronautics and Astronautics (BUAA) (just as Xiong Lijian) and a master's degree from the Beijing University of Posts and Telecommunications (BUPT). He is responsible for online/mobile game design, which is needed when we consider the underlying app is indeed a game. He is also listed with having ten years of experience in internet product development and two years of experience in blockchain product development (which might be the two years he is with LMC).

## Zhou Taoji

Listing 13 years in Marketing, he seems quite versed in his field. Also, he is an entrepreneur, having founded two other companies (which I unfortunately could not find any information about).



ZOU TAOJI
CMO

## Xu Yang

Another software Developer, who seems to work with the CEO for some years now, as he is listing four years of experience in blockchain development. He lists overall 15 years of experience in programming. His former work experience includes working as software manager for Macquarie (an Australian investment bank) and in R&D for Motorola. He also might be the same Xu Yang from LMCs github.[8]

XU YANG
Founding Partner

## Wen Gebin

The last one being listed on their website is Wen Gebin, also a software engineer with ten years of experience in a wide range of fields, including architectural design and gaming algorithms among others. He is involved with the CEO for several years now, as he also lists five years of experience in blockchain tech and is the first WiiBox developer.

WEN GEBIN
Founding Partner

Media coverage is not so high so far, being only covered by technode a couple of weeks back and by cointelegraph as a sidenote, being listed among the "biggest gainers" back in February.[9] In China however, it was featured in an article on sina.com, which is one of the most visited website in China, according to alexa.[10] Other than that, it also received coverage from a smaller Japanese tech website.[11] As I speak neither Japanese nor sufficient Chinese, I cannot tell if these articles had negative undertones or were paid press releases. Recently, a press release was added on cryptocoinsnews.com.[12]

---

[8] https://libraries.io/github/lomocoin/contributors
[9] http://technode.com/2017/11/01/blockchain-o2o-china/
https://cointelegraph.com/news/bitcoin-price-fall-creates-ripple-effect-on-all-top-10-altcoins-etc-most-in-red
[10] https://www.alexa.com/siteinfo/sina.com.cn
[11] https://www.alexa.com/siteinfo/thebridge.jp
[12] https://www.cryptocoinsnews.com/lomostar-shaking-china-crypto-market/

Regarding their partners, there are no big names, so far. Right now, there are no names at all, but they claim to have a cooperation with many SMEs (**S**mall & **M**edium **E**nterprises). Also, there is an organization called "F5 lab", which is a conglomerate of technology companies. F5 lab is engaged in R&D as well as in collaborations with universities and other companies – so far, there is no big name known from this initiative or on what legal foundation it is based, but the goal is quite appealing.

All in all, the team composition as well as their backgrounds are convincing, albeit the detailed information needed to confirm it, needs a bit digging. But I personally think, that the checkable background of the CEO alone is convincing enough to overlook the fact, that they cannot back up their background by e.g. LinkedIn-accounts.

Publicity: **7/10** (7 – the team itself is known and competent enough to run this operation, at least from my perspective – this might be not enough for the heavily skeptical persons, though; also, there should be more clarification on their partners)

## 2 Activity

We see the usual means of communication. Twitter[13], Facebook[14], Reddit[15], Telegram[16], Bitcointalk[17] and of course: Slack (you need to ask for an invite-link on reddit or telegram). Also, you can find them on Github.[18] I also must add, that the person responsible for western communication reached out to me, to answer many questions on the project.

Facebook, not being the most used communication platform of a blockchain project, is posting some news and updates from time to time, but is not so much active. Twitter is a bit more up-to-date with regular posts and updates on the situation. Reddit – albeit lacking a bit of activity in general, as not many people are aware of LMC yet – sees indeed attention from the team. The same goes for Slack and Bitcointalk, which both can see a single post in a day and not much more. For main communication, I would assume Telegram the most active among the ones they use. This might change back to Slack eventually, if / as soon as they gain traction on western audiences. Coincidentally, Zou Taoji (CMO) conducted an AMA on Telegram today (12 AM – 1:10 PM). Shows that they care for their western audiences, even though the language barrier is still existent.

LMC is traded on two markets right now: Bittrex and Coinexchange. Most of the trading (>99%) is done on Bittrex, with a daily volume of usually less than one million USD. Buying and trading LMC should therefore be done on Bittrex.

Regarding their whitepaper, there is not much to say about, because they work on an updated one. I guess it is the same with their roadmap, as the old one is finished with the release of the 2.0-version of the app back in October and the plan for 2018 is quite vague right now.

What I personally find quite interesting is, that they created a community initiative, to make LMC a bit more known and let the community participate in the support of the ecosystem LMC wants to create.[19] This initiative called "Sirius" aims to promote LMC, help developing apps using LMC, organizing events, translating texts and so on. Their

[13] https://twitter.com/LoMoStarLMC
[14] https://www.facebook.com/LoMoStarTeam/
[15] https://www.reddit.com/r/lomocoin/
[16] https://t.me/lomocoin
[17] https://bitcointalk.org/index.php?topic=1609194
[18] https://libraries.io/github/lomocoin
[19] https://medium.com/@lomostar/sirius-a-community-initiative-6b4f8aa5a406

first event was a meme-contest, which is still running until the 1st of December and will announce the winners 4 days later.

I in general have the impression, that the community is quite strong with LMC, which might be in part, because the app is already usable.

Activity - grade: **XX/10** (As whitepaper and roadmap are being updated, it is not possible to grade this yet – the overall impression from the communication channels is, that the team is active and responsive on questions, even though the western audience is still quite small)

## 3 Technology

Unfortunately, technology is also not gradable right now – with no whitepaper, it is next to impossible to check on the underlying technology or fundamentals. But with LMC, we have another way of checking on the product this time: we can use it. Just download it on your mobile, pass the registration and you are good to go.[20]

That's what the app does: after downloading and installing the app, you register with your name and basic information (after all, AML-regulations are still in place) and then you will be left on the real map of your actual location. Around you, some "red envelopes" will appear with some LMC in it. There is a limit on how many envelopes you can collect every day (12, one every two hours) but it can be extended by buying vitality points, which themselves can be bought by diamonds, which in turn cost real money. It is not so much worth to buy diamonds, as the value of LMC is not high enough to justify the price ($0.99 = 3 diamonds = three red envelopes with a varying amount of LMC in it). The diamonds itself also can be used to create red envelopes yourself, where you can include not only LMC but also BTC and ETH. You can decide the amount you put into the envelope and how many people can open it, effectively spreading the amount of the currency you put into it to a certain amount of people.

The idea behind LMC and the red envelopes is, that single retail shops buy LMC and distribute them in red envelopes around the shop, so people come by, pick up the envelopes around the shop and buy something in the shop itself, as they are already near it. The app can also be linked to a promotion, so the users can get e.g. rebates, giveaways etc. – the usual stuff, when it comes to promotions. Now, if we consider the digitalization penetrating every part of our everyday life, everything getting more and more connected, LMC can indeed provide quite a key point in this network, bringing together IoT-devices and users via an economy, based on crypto currencies.

When we look into the blockchain industry, we see no comparable competitor so far. Outside however, we see apps like "Pokémon Go", "Ingress", "Landlord" or "Zombies, Run!" (which I actually can recommend, if you need an incentive to go jogging). Some of them included real-life-events (like Pokémon Go), but there is nothing featuring something like a real usable economy behind the philosophy of the product. In this regard, LMC can indeed work without any competitor.

---

[20] https://play.google.com/store/apps/details?id=com.lomocoin.lomocoin&hl=en

Regarding the technology itself, it is known that they switched from Proof of Work to a Proof of Stake. The transfer fee is neglectable (0.0001 LMC), the block time is quite fast with 60 seconds. Initially, they wanted to distribute 1 billion LMC, but after the switch from PoW to PoS, the total possible supply will be capped at 305,274,326 LMC, of which around 220 million (~72%) is in circulation already.[21]

The yield of the PoS-staking will depend on the amount of LMC on the wallet. The more is on the wallet, the more LMC will be rewarded later on.

---

Staking LoMoCoins in your wallet can give you the following interest rates each year (estimate)

| Amount | interest rates |
|---|---|
| < 50.000 | 5% |
| ≥ 50.000 | 10% |
| ≥ 100.000 | 12% |
| ≥ 250.000 | 15% |
| ≥ 500.000 | 19% |
| ≥ 1.000.000 | 24% |

**Examples:**

| | |
|---|---|
| 40.000 | 2000 LMC |
| 80.000 | 8000 LMC |
| 160.000 | 19.200 LMC |
| 320.000 | 48.000 LMC |
| 640.000 | 121.600 LMC |
| 1.280.000 | 307.200 LMC |

---

LoMoStar will also later provide a similar service as e.g. Localbitcoin, meaning that you can buy and sell BTC and other currencies not by using an exchange but from buying them from e.g. other users (which is called OTC – "over the counter", meaning that you do not buy at an exchange). Making this usable via their app at the same time makes crypto currencies quite usable for the average non-techie, so I indeed consider this quite a good strategy to integrate this service.

It should also be mentioned, that LMC plans on opening an exchange later on: https://xstar.io/index. I cannot estimate, how far the development on the exchange is, but I would say, that a working exchange associated with LMC can indeed mean quite a positive indication on the price.

---

[21] https://bitcointalk.org/index.php?topic=1609194

Technology - Grade: **XX/10** (XX – grading will come, after the whitepaper is released; the general impression however is quite well, considering that it is the first project you can actually use by just downloading an app)

# 4  History

LoMoStar has quite a history, so far. Their first step on their roadmap is exactly two years ago, the first release of the application followed in March on the Chinese messenger platform WeChat. The ICO for LMC was conducted at June 2016, where 100 million LMC were sold. The rest is distributed like this:

| Distribution | Number (millions) | Percentage |
|---|---|---|
| Owned by the team | 14.67 | 4.90% |
| Angel investors | 75 | 24.99% |
| Crowdfunding in June 2016 | 106 | 35.31% |
| Delivered through our app | 50 | 16.66% |
| Third party cooperation and marketing | 20 | 6.66% |
| Until October 2016, the amount of interest produced before burning the coins | 18 | 6.00% |
| After October 2016, the amount of interest produced after burning the coins | 16.5 | 5.50% |
| Total | 300.17 | 100.00% |

Let's come to the events that influenced the price of LMC:

Back in December / January 2016 (**1**), this increase in price was also accustomed by a significantly higher trading volume and could be due to LMC winning the second place in the "China Block Chain Innovation and Application Competition". It is quite normal that such an event increases the price.

The short crash (**2**) in February looks terrific, but was just due to a thin orderbook. The volume at the time of the crash was not different than it was within the hours before. Without this happening, the bearish tendency would have had continued the same way it did after the crash, I think.
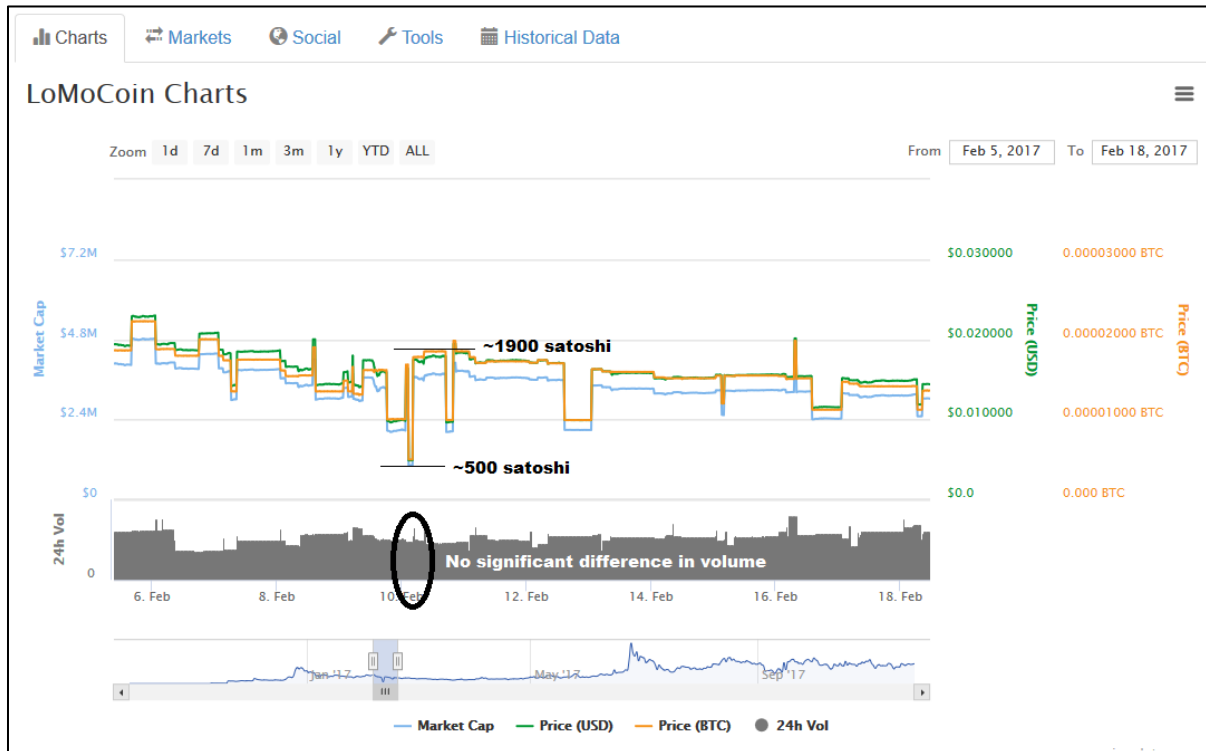


(**3**) in June seems like the usual rally we see with altcoins following the price increase of BTC – but it is a bit late for this, to show on the price of LMC. I see more of a correlation between the price and the size of the userbase in China, as June was the month when they reached 300,000 users on their app in China. Depending on how this was communicated, that could have been the trigger.

(**4**) was – I think – the announcement & subsequent release of the app to the western audiences, which increased the interest among this audience. It also paused the uncertainty of the Chinese regulations on crypto currencies for a short time, but could not completely root out the uncertainty the Chinese market represents for crypto currencies right now.

Looking at the history, LMC tends to be mostly subjected to event-driven price pumps, that are not yet sustainable enough, to increase the price in relation to BTC. In part, I think this is due to the lack of marketing in the western audiences so far and might change, after they gain traction on the western markets.

History - grade: **6.5/10** (7 – I could not find bad events in their past, which might be due to the fact, that it is hard to do research on Chinese projects in general, but I give them the benefit of a doubt, as significant troubles would have been reflected on the chart and spilled over into the [ANN] on bitcointalk; -0.5 as past positive events had no sustainable impact the price of LMC)

# 5 Future
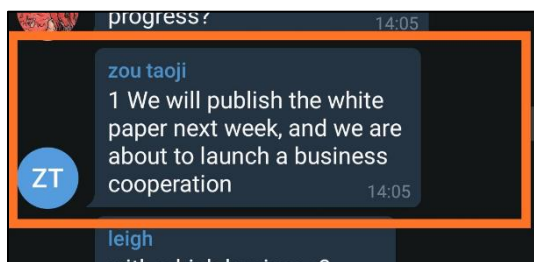


As whitepaper and roadmap are being reworked, the future roadmap cannot be taken into consideration right now, as it is unknown what the next steps will be. The updated whitepaper (and with it, the roadmap) is however announced to be released next week (11.27.2017-12.03.2017).[22]

This leaves us to turn to the question, how the circulation will develop in the future. Like already lined out, around 72% of all units are currently in circulation (see "History" for more details on this). Regarding the future circulation, they outlined it quite well themselves on the announcement-post on Bitcointalk, so I will just sum it up a bit here:

| LMC | Usage | Circulating? | In circ. | Not in circ. |
|---|---|---|---|---|
| 14.67 | Team | No | 0 | 14.67 |
| 75 | Angel Investors | Partially | 46.875 | 28.125 |
| 106 | ICO | Yes | 106 | 0 |
| 50 | App | Partially | 41.41 | 8.59 |
| 20 | Marketing | Partially | 15.6 | 4.4 |
| 18 | Before Okt. 2016 | X | unknown | 18 |
| 16.5 | After Okt. 2016 | X | unknown | 16.5 |
| | | | **209.885** | **90.285** |

Coinmarketcap is listing LMC with a circulation of 220 million LMC, so the majority of the angel investors LMC still have not entered circulation. Until April 2018, the team as well as the angel investors will have full access to all the locked up 42.795 million LMC, giving them control over ~14% of the total LMC or ~19% of the total circulation of LMC.

And this is, what worries me a bit. I am fine with the team holding LMC, as the team has an inherent incentive to make the project a success. But I generally have some concerns regarding angel investors and / or venture capital firms holding the currency of a project, as it may shift their interest from making the company worth more, to making the currency worth more. Making a company worth more is more likely to be sustainable, than increasing the value of a currency, which is subject to speculation. I would personally love to see more clarity on what agreements LoMoStar has with their angel investors, who they are and how they are involved with the project, as this issue will even become more pressing due to the high interest rate of the PoS. Because if they receive even more LMC from the staking, the problem even expands. Without

---

[22] https://twitter.com/tolerancejuice/status/934020762494791680

further information on this, there is could be concerns on that the LMC of the angel investors can have an impact on the price of LMC.

As they have quite an extensive userbase in China, it can be assumed that they also have a solid financial fundament, that is independent on the value of BTC – a collapsing crypto market is therefore no danger to the company itself (even though it would most likely have also some consequences for the price of LMC). I assume the overall danger of a total loss comparatively low, even with the still existing insecurity of the Chinese regulations.

The outlook of the industry overall is quite good. Especially because mobile gaming is predicted to have an ever-growing share of the industry in the next years. As China will have the biggest share of this growth, I would assume that LoMoStar can expand their position in their home country even further.[23]

It should be said however, that the future of crypto currencies in China is still not really secure. With the exchanges still closed, some officials in China raise their concerns also for OTC trades (over the counter – if you trade BTC outside of exchanges). I however must admit, that I have no means to possibly assess, how high the danger for LMC is in this regard, but it should definitely be mentioned as a possible risk.[24]

Future - grade: **XX/10** (XX – LoMoStar is working in a growing industry and is having quite a headstart in regard of direct competitors, the issue regarding the LMC of the angel investors however should be addressed to ensure a higher trust of future buyers of LMC; also, the Chinese market still poses a risk to the business of LMC in general, which in worst case(**!**) could force them out of the Chinese market)

---

[23] https://newzoo.com/insights/articles/the-global-games-market-will-reach-108-9-billion-in-2017-with-mobile-taking-42/
[24] http://icenter.co/chinas-central-television-warns-risks-cryptocurrency-otc-trade/

# 6  Grades:

Publicity: **7/10** (7 – the team itself is known and competent enough to run this operation, at least from my perspective – this might be not enough for the heavily skeptical persons, though; also, there should be more clarification on their partners)

Activity - grade: **XX/10** (As whitepaper and roadmap are being updated, it is not possible to grade this yet – the overall impression from the communication channels is, that the team is active and responsive on questions, even though the western audience is still quite small)

Technology - Grade: **XX/10** (XX – grading will come, after the whitepaper is released; the general impression however is quite well, considering that it is the first project you can actually use by just downloading an app)

History - grade: **6.5/10** (7 – I could not find bad events in their past, which might be due to the fact, that it is hard to do research on Chinese projects in general, but I give them the benefit of a doubt, as significant troubles would have been reflected on the chart and spilled over into the [ANN] on bitcointalk; -0.5 as past positive events had no sustainable impact the price of LMC)

Future - grade: **XX/10** (XX – LoMoStar is working in a growing industry and is having quite a head start in regard of direct competitors, the issue regarding the LMC of the angel investors however should be addressed to ensure a higher trust of future buyers of LMC; also, the Chinese market still poses a risk to the business of LMC in general, which in worst case(**!**) could force them out of the Chinese market)

Overall score: XX **/ 10**

# 7 Conclusion:

Having a working product on the market is quite unique for a blockchain project, this alone is a reason to consider adding LMC to a portfolio. I personally expect a surge in price, as soon as the whitepaper and roadmap is updated. As RPX is also only listed on two exchanges so far, it can be assumed that the adding of more exchanges will also attract more potential buyers – but as Bittrex is already listing LMC, the significance of said listings will be a bit lower, I think. The inherent value of LMC itself is impossible to grasp, but with LoMoStar having a strong position in China, a good foundation is laid out. Also, especially as their market is growing in China, adaption and usage of the app (and with it, LMC) is also likely to increase.

From a speculative position, it is possible to bet on them getting traction in the western audience with the release of their whitepaper and roadmap this week as well as new partnerships and more clarity on their general international strategy. With Sirius, there is a good start to build on top of an already strong community, so I guess they are in a good starting position to expand over the Chinese borders.

After the release of the new roadmap and whitepaper, it depends on the timing on their roadmap and which focus they set on their development and marketing. With a price of 500-600 satoshi however, I think the entry point right now is quite good – with a company of about 70 persons and experienced executives, the market cap of 10 million USD for LMC is too low and does not at all reflect on the very good potential of the project.

It should be however mentioned, that the app might become the subject of attention of regulators in China, due to the OTC-nature of their app. I personally would assume this danger to be low, but it should be kept in mind, that an unexpected ban of such an activity in China would force LoMoStar to change their attention to markets, in whom they are not as known as they are now in China.

If you like my analysis & want to give something back – consider dropping me a tip, so I can provide you with further detailed analysis on crypto currencies.

BTC: 12dTyxchdGhYjGBi1QFVPWbagQrRSJssWT

ETH: 0x3D8e6B27F7ab389888791ABEe6FA62F4718A1164

LTC: LT6qfsrxPhVxcYPbNgT267W1aVRd6n5AFq

**Also, if you have suggestions what to analyze next - feel free to propose something.**

**I also have** Steemit**, a** twitter account **and** a blog**, where you find news, polls, guides for absolute beginners and advanced investors into crypto currencies.**

**Disclaimer:**
- I have a small position of <10 LMC right now (USD-value of <$0.50), due to testing the app

- I have no connection to employees, their relatives or partners of the company

- I have not received any monetary or non-monetary incentive for conducting this analysis

**Scale explanation:**

0-1: Obvious obstacles that are hard to overcome (no more developers, goal is now illegal etc.). If only one aspect of this classification exists, an investment is strongly discouraged, even if there is a very good rating in other areas.

2-3: The currency has very strong deficiencies in this area, which puts the final development of a working product in high danger.

4-5: There are shortcomings in this area, which the Devs have to work on if they do not want to lose investor confidence.

6-7: There are points of criticism worth mentioning – neglecting these points will most likely have a negative impact on performance.

8-9: Extraordinary - Criticism is only marginally and will not have a significant impact on performance

10: The currency has no real shortcomings in this aspect.


I would not advise to invest into anything below an overall rating below 4.