

Date : Aug. 26, 2020

To : Malux

**Title : Official Letter regarding LED sign modules**

Dear Sirs,

We, NURION Co.,Ltd would like to announce current LED signage module market situation. The reason why I am sending you this letter is to help final customers understand current market situation.

As everybody knows, nowadays LED signage module business is having a hard time. We, NURION Co.,Ltd has started signage module business since 2005 and I have been working ever since 2009.

When I started this business, LED module business was pretty promising business.

At the time, the price of 3 LED modules was around USD2 per unit.

Nowadays the price is 3 LED modules is around less than USD0.3(almost 10 times cheaper than before) and there are many of LED modules manufacturers and they compete hardly with price.

At the beginning, most of company get IP degree by molding with epoxy or silicon but since 2012 there were new products which were applied with wide beam angle so that installers could reduce total quantity of modules and labor cost. So wide beam angle could be one of the advantages.

We, NURION Co.,Ltd also made a lens type module in 2012. After that many of companies applied lens to the module. So now most of modules has similar performance visually.

But to look at the deep inside, there are some risky for some of manufacturers who offer very cheap price.

1. Quality control

To make a LED signage module does not need high technologies that is why some of company starts LED module business easily but without field experience there are unexpected risk.

Ex) CCT different, Heat sink problem, Life span problem

We, NURION Co.,Ltd has 15 years field experience and most of distributors in Europe work together with us more than 10 years. Some of their final customer came back to them again to use our products. Because they got a problem to use poor and cheap LED modules.

2. Poor materials.

At the moment the price of cheap 3LED module is less than USD0.3.

To look at the manufacturing cost structure, materials cost(LED chip, PCB, housing, Cable, other parts) take around 50% from there manufacturing cost and other is labor and ETC.

Which means that some of manufacturer sell more than 3~5millions modules per month, they have no profit.

Ex) NC LED, one of biggest LED module manufacturers in Korea completely close down their business last May, 2020. Their capacity was 5~6millions modules per month. Even though they sold such a huge quantity, they were suffering hard time economically.

We, NURION Co.,Ltd is also trying to provide with best price but we could not offer the products unreasonable cheap price. We do more care of quality of products.

### 3. Responsibility

In case of lot problem, some of poor company does not have responsibility.

Some of company offer 10 years warranty and products have a problem within 2 years.

There is not only products replacement cost but also high labor and equipment cost.

Some company just disappear and found new company with other company name.

Final customer also has to be careful such a case.

We, NURION Co.,Ltd has long term business partners more than 10 years and responsibility is one of the reason our distributors like to work with us.

Hope above comments would be helpful for you understand to be careful to use cheap LED modules in the market.

Imagine what percentage of LED modules price is occupied among total cost of sign channel or box. I believe that it would be just 10~20% or less.

In order to save such a money, there would be more risky in the futures if modules got trouble for quality.

Best regards,



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