FORM 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Pearl River Holdings Limited
Suite 502, 383 Richmond Street
London, ON N6A 3C4

2. **Date of Material Change**

May 7, 2007

3. **News Release**

A news release was disseminated on May 7, 2007 via CCN Matthews.

4. **Summary of Material Change**

Notice of Default – Pearl River Holdings Limited announces expected delay in filing Annual Financial Statements.

5. **Full Description of Material Change**

Pearl River Holdings Limited (the "Company" or "PRHL") reports that it has been delayed in filing its Annual Audited Consolidated Financial Statements and Annual Management Discussion & Analysis related thereto for the year ended December 31, 2006 (the "Annual Financial Statements") by the required filing date under applicable Canadian Securities laws National Instrument 51-102, namely April 30, 2007.

In connection with the Company's inability to file the Annual Financial Statements and Management Discussion & Analysis on time, the Company has applied to applicable Canadian securities regulators requesting that a Management Cease Trade Order (the "MCTO") be issued. A MCTO covers all persons who are directors, officers or insiders of the Company or who have been directors, officers or insiders of the company during the period that the Annual Financial Statements and related annual filings are being prepared.

The Company is unable to file the Annual Financial Statements on time due to the following:

- The Annual Financial Statements cannot be completed without relevant information from the Company's wholly owned subsidiary, "Pearl River Plastics Limited" (the "BVI Sub"), a company which was formed and incorporated in the British Virgin Islands under International Business Companies Act. The BVI Sub is required to be audited and consolidated in the Company's Annual Financial Statements. The BVI Sub's consolidated financial statements include the accounts of the BVI Sub and its wholly owned subsidiaries Rodman Plastics Co. Ltd. and Rodman Enterprises Ltd., both of which operate in Hong Kong and its jointly controlled entity Guangzhou Rodman Plastics Co. Ltd. which operates in the People's Republic of China. Due to staff shortages at the audit firm in Hong Kong the BVI Sub has experienced delays in its audit engagement process and as a result the audited consolidated financial statements of the BVI Sub are not available at this time. The Company is working toward obtaining the completed audit of the BVI Sub and its subsidiaries and jointly controlled entity but will not have this complete until after the required filing date of April 30, 2007.

The Company is working with its auditors to complete the audit of the Company's consolidated financial statements as soon as possible. The Company anticipates that it will be in a position to file its annual financial statements and related annual filings by May 30, 2007. Until its annual financial statements and related annual filings are filed, the Company will satisfy the requirements of the "Default Status Report" described in OSC Policy 57-603 and Appendix "B" of the CSA Staff Notice 57-301 (the "Policy"), including issuing by-weekly default status reports, as required therein.

Pursuant to the Policy, if the Company's annual financial statements and related annual filings are not filed by June 30, 2007, applicable Canadian securities commissions or regulators may impose a cease trade order against the Company. The Company does not believe that this aspect of the Policy will affect it because it anticipates that it will be in a position to file its annual financial statements and related filings no later than May 30, 2007. The MCTO will remain in place until two full business days following receipt by the Ontario Securities Commission of all filings that the Company is required to make pursuant to applicable Canadian Securities laws.

The Company is not currently subject to any insolvency proceedings. If the Company provides any information to any of its creditors during the period in which it is in default of filing the Annual Financial Statements, the Company confirms that it will also file material change reports on SEDAR containing such information.

The Company does not have any other material information concerning the affairs of the Company that has not been previously disclosed

6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

Not Applicable

7. Omitted Information

Not Applicable

8. Executive Officer

The name and business number of an Executive Officer who is knowledgeable about the material change and who can be contacted by the Commission on this report is:

George Lunick - Chief Executive Officer

Telephone: (519) 645-0267

9. Date of Report

May 7, 2007