



**Incorporated in the Republic of Singapore
Company Registration No. 198303359D**

Divestment of Associated Company

Creative Technology Ltd. ("Creative") today announced that it has entered into an agreement to divest its entire equity interest in an associated company, Qala Singapore Pte Ltd, an internet service provider, subject to the satisfaction of certain completion conditions.

The consideration to be received by Creative upon completion for this divestment is US\$6.1 million in cash, which is arrived at on a willing-buyer, willing-seller basis.

Upon completion, Creative expects to recognise an investment gain of approximately US\$4.5 million.

Ng Keh Long
Company Secretary

4 September 2009