SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2022-03-28** | Period of Report: **2022-03-24**
SEC Accession No. 0001040161-22-000019

([HTML Version](#) on secdatabase.com)

FILER

PIXELWORKS, INC
CIK:**1040161**| IRS No.: **911761992** | State of Incorp.:**OR** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-30269** | Film No.: **22775445**
SIC: **3674** Semiconductors & related devices

Mailing Address	Business Address
16760 SW UPPER BOONES	*16760 SW UPPER BOONES*
FERRY RD.	*FERRY RD.*
SUITE 101	*SUITE 101*
PORTLAND OR 97224	*PORTLAND OR 97224*
	(503) 601-4545

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 24, 2022

PIXELWORKS, INC.

(Exact name of registrant as specified in its charter)

Oregon	**000-30269**	**91-1761992**
(State or other jurisdiction	(Commission File Number)	(I.R.S. Employer
of incorporation)		Identification No.)

16760 SW Upper Boones Ferry Rd., Suite 101
Portland, OR 97224
(503) 601-4545
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐   Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐   Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐   Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐   Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	PXLW	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01   Entry into a Definitive Material Agreement

On March 24, 2022, Pixelworks, Inc. (the "Company") and its subsidiary, Pixelworks Semiconductor Technology (Shanghai) Co., Ltd. ("PWSH"), entered into a Supplemental Agreement to Capital Increase Agreement (the "Supplemental Agreement") with certain private equity and strategic investors based in China (Shanghai MTM Equity Investment Fund Partnership (L.P.), Qingdao MTM Venture Capital Partnership (L.P.), Hangzhou Canaan Creative Information Technology Limited, VeriSilicon Microelectronics (Shanghai) Co., Ltd, and Beijing E-town Changhou Display Chip Venture Capital Center (a limited partnership affiliated with Chipone Technology)) (collectively, the "Investors") and certain entities which collectively are owned by approximately 75% of the employees of PWSH and its subsidiaries (Ting Xin Lan (Shanghai) Management Consulting Partnership, Xuan Xin Miao (Shanghai) Management Consulting Partnership, Yi Xin Ran (Shanghai) Management Consulting Partnership, and Chunhe Hong Kong Limited)(collectively, the "ESOP")(none of the employees are a named executive officer of the Company)(all such parties to the Supplemental Agreement, the "Parties"). The effective date of the Supplemental Agreement is November 30, 2021, the base date that PWSH intends to use for its planned conversion into a joint stock company.

The Supplemental Agreement revises the original Capital Increase Agreement entered into between the Parties on August 6, 2021. The Supplemental Agreement, among other things, deletes the interest that was to accrue on the redemption obligation* of affiliated entities of PWSH, and adds a provision that will suspend the redemption obligation on the date PWSH files its initial public offering listing documents pending the approval of such documents by the applicable authorities. The suspension ends if PWSH withdraws the listing application or such application is finally rejected, at which point the redemption obligation will once again become effective with a deadline of the later of the date of the withdrawal/rejection and June 30, 2024.

In connection with the Supplemental Agreement, on March 24, 2022, the Parties entered into a Side Letter to Capital Increase Agreement ("Side Letter") with an effective date of November 30, 2021 which provides that, in the event of a change in control of the Company, the Company shall ensure that the definitive agreement related to such transaction includes a post-closing repurchase covenant that requires the successor entity in such transaction to repurchase all of PWSH's equity held by the Investors at the original subscription price plus 20% upon the request of the Investors within 60 days after the change in control, or if PWSH fails to consummate its initial public offering by June 30, 2024, because the Company decides against pursuing the offering. If PWSH continues to diligently pursue the application but the initial public offering still fails to launch by June 30, 2024, the redemption obligation of the Supplemental Agreement would instead apply. The Side Letter terminates on the launch date of PWSH's initial public offering.

The foregoing description of the Supplemental Agreement and Side Letter does not purport to be complete and is qualified in its entirety by reference to the full text of the Supplemental Agreement and Side Letter, which are attached to this report as Exhibit 10.1 and Exhibit 10.2, respectively, and each of which is incorporated herein by reference.

* The Supplemental Agreement does not delete the obligation of the Company to purchase the ESOP interests from the employee-participants of the ESOP if PWSH fails to launch its initial public offering by December 31, 2024, for a price equal to the initial purchase price paid by the purchaser plus annual simple interest of 5%.

Item 9.01   Financial Statements and Exhibits.

(d)   Exhibits.

Exhibit No.	Description
10.1	Supplemental Agreement to Capital Increase Agreement dated as of March 24, 2022 between the Company and the other parties named therein.
10.2	Side Letter to Capital Increase Agreement dated as of March 24, 2022 between the Company and the other parties named therein.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PIXELWORKS, INC.

(Registrant)

Dated: March 28, 2022

/s/ Haley F. Aman

Haley F. Aman
Chief Financial Officer

Exhibit 10.1

Supplemental Agreement to the Capital Increase Agreement for Pixelworks Semiconductor Technology (Shanghai) Co., Ltd.

Supplemental Agreement
To
Capital Increase Agreement
For
Pixelworks Semiconductor Technology (Shanghai) Co., Ltd.

Date: November 30, 2021

Supplemental Agreement

This Supplemental Agreement (hereinafter referred to as "**this Agreement**") is executed effective November 30, 2021, among the following parties in Pudong New District, Shanghai:

1、**Shanghai MTM Equity Investment Fund Partnership (L.P.)**, a limited liability partnership enterprise duly incorporated and validly existing in accordance with Chinese laws (**"MTM"** or "**Capital Contributor I**")
   Address: 3303-3306, S2, BFC, No.600 Zhongshan Road(E-2), Huangpu District, Shanghai
   Unified Social Credit Code: 91310000MA1FL4N12P

2、**Qingdao MTM Venture Capital Partnership (L.P.)**, a limited liability partnership enterprise duly incorporated and validly existing in accordance with Chinese laws (**"MTM** Venture Capital**"** or "**Capital Contributor II**")
   Address: 1006, East Wing, Fenghui Times Building, Taipingqiao Street, Xicheng District, Beijing
   Unified Social Credit Code: 91370281MA94CA9U2Q

3、**Hangzhou Canaan Creative Information Technology Limited**, a limited liability company duly incorporated and validly existing in accordance with Chinese laws
   ("**Canaan**" or "**Capital Contributor III**")
   Address: Room 603-2,6/F, China Resources Building A Shangcheng District, Hangzhou, China

Unified Social Credit Code: 913301040648566680

4、**VeriSilicon Microelectronics (Shanghai) Co., Ltd**, a joint-stock company duly incorporated and validly existing in accordance with Chinese laws ("**VeriSilicon**" or "**Capital Contributor IV**")

Address: 20 / F, Zhangjiang Building, 560 Songtao Road, Pudong New area, Shanghai，China

Unified Social Credit Code: 91310115703490552J

5、**Ting Xin Lan (Shanghai) Management Consulting Partnership (Limited Partnership)**, a partnership enterprise duly incorporated and validly existing in accordance with Chinese laws ("**Ting Xin Lan**" or "**Capital Contributor V**")

Address: Building C, No. 888, Huanhu West 2nd Road, Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone

Business Certificate: 91310000MA1H3TK15G

6、**Xuan Xin Miao (Shanghai) Management Consulting Partnership (Limited Partnership)**, a partnership enterprise duly incorporated and validly existing in accordance with Chinese laws ("**Xuan Xin Miao**" or "**Capital Contributor VI**")

Address: Building C, No. 888, Huanhu West 2nd Road, Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone

Business Certificate: 91310000MA1H3ULA80

7、**Yi Xin Ran (Shanghai) Management Consulting Partnership (Limited Partnership)**, a partnership enterprise duly incorporated and validly existing in accordance with Chinese laws (**"Yi Xin Ran"** or "**Capital Contributo VII**")

Address: Building C, No. 888, Huanhu West 2nd Road, Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone

Business Certificate: 91310000MA1H3U352P

8、**Chunhe Hong Kong Limited**

A Hong Kong corporation，company number 3054988("**Chunhe HK**" or"**Capital Contributor VIII**")

Address: Rooms 1101-04 38 Gloucester Road Hong Kong

9、**Beijing E-town Changhou Display Chip Venture Capital Center (Limited Partnership)**, a partnership enterprise duly incorporated and validly existing in accordance with Chinese laws ("**E-town Changhou" or "Capital Contributor IX**")

Address: Room D1205 of CATIC Plaza, Beijing BDA Ronghua Road No.15.

United Social Credit Code: 91110302MA01FR644U

10、 **PIXELWORKS SEMICONDUCTOR TECHNOLOGY COMPANY, LLC.,** An American limited liability company, registration number 237548-98 ("**Founding Shareholder**")

Address: 16760 SW Upper Boones Ferry Road，Suite 101，Portland,

Oregon, 97229，USA.

11、**Pixelworks Semiconductor Technology (Shanghai) Co., Ltd.,** a limited liability company duly incorporated and validly existing in accordance with Chinese laws ("**Company**" or **"Target Company"**)

Address: 17 Floor No.1 Sandhill Plaza 2290 Zuchongzhi Road, Pudong New District, Shanghai, China

United Social Credit Code: 913100007696958760

WHEREAS:

1、As of the date of this Agreement, the Target Company is a legally existing limited liability company and the Capital Contributors are shareholders of the Target Company.

2、The Capital Contributors, the Target Company and the Founding Shareholder dated August 6, 2021 in Pudong New Area, Shanghai executed Capital Increase Agreement For Pixelworks Semiconductor Technology (Shanghai) Co., Ltd. ("**Capital Increase Agreement**").

3、The Target Company intends to apply for IPO (initial public offering) and listing on the Shanghai Stock Exchange, Shenzhen Stock Exchange or other securities exchange markets agreed by all parties（hereinafter referred to as the "Qualified Listing"）

In order to smoothly promote the implementation of the Qualified Listing, the parties have reached the following supplementary agreement on the terms to be adjusted in the Capital Increase Agreement after friendly negotiations：

I. Amendment to the redemption clause of the capital increase agreement

1、Article 2.8 of the Capital Increase Agreement originally read："Redemption Obligation. In case that any of the following occurs: (a) the Target Company failed to consummate the Qualified Listing before June 30th, 2024, or (b) prior to consummation of the Qualified Listing. The Founding Shareholder and / or the Target Group have seriously violated the relevant representations, warranties, agreements, commitments and obligations under this agreement (including but not limited to the restructuring plan in serious violation of Appendix I to this Agreement), such that if left unresolved it would prevent the Qualified Listing from consummating before June 30, 2024, the Capital Contributor has the right to request the Company and/or Founding Shareholder to repurchase all or part of the Target Company's equity held by Capital Contributor at the original subscription price of the equity plus 3% annual interest per year (From the date of closing day)."

Now adjusted to："Redemption Obligation. In case that any of the following occurs: (a) the Target Company failed to consummate the Qualified Listing before June 30th, 2024, or (b) prior to consummation of the Qualified Listing, the Founding Shareholder and/or the Target Group have seriously violated the relevant representations, warranties, agreements, commitments and obligations under this agreement (including but not limited to the restructuring plan in serious violation of Appendix I to this Agreement), such that if left unresolved it would prevent the Qualified Listing from consummating before June 30, 2024, the Capital Contributor has the right to request the affiliate（excluding the Target Company and its

subsidiaries）designated by the Founding Shareholder (such designation shall be completed within 15 days after the Capital Contributor make a request of repurchasing) and approved by the Capital Contributor, to repurchase all or part of the Target Company's equity held by Capital Contributor at the original subscription price of the equity."

2、The right stated in the above redemption clause shall suspend on the date when the Target Company files the listing registration application document with the China Securities Regulatory Commission ("**CSRC**")/Stock Exchange in support of a Qualified Listing. It shall remain suspended while the application is under review and shall terminate on the date the application is approved. If during the period of suspension the Target Company withdraws the application, or if the application is finally rejected by the authorized department, the redemption right shall return effective the later of the date of the withdrawal/rejection or June 30, 2024.

II. Amendment to the paragraph (2) of Appendix I Commitment after closing of the Capital Increase Agreement

The paragraph (2) of Appendix I Commitment after closing of the Capital Increase Agreement originally read："Before December 31, 2021, the Target Company completes the establishment of a new representative office in Taiwan, China ("Taiwan") and acquires all of the assets, business operations and employees of Pixelworks Semiconductor Technology (Taiwan), Inc. ("PWTW") and obtains all necessary governmental approvals and internal or other third parties' examination and approval work and consents in connection therewith (the "New Taiwan Representative Office")"：

Now adjusted to："Before December 31, 2021, the Target Company enters into an intercompany agreement with Pixelworks Semiconductor Technology (Taiwan), Inc. ("PWTW"), under which PWTW is to provide continuous services to the Target Company to ensure the smooth operation of the Target company's Taiwan business, for a period of not less than five years."

III. This Agreement shall become effective after it is signed by all parties to this Agreement (in the case of natural persons) or chopped (in the case of non-natural persons). After this Agreement enters into effect, it shall become an integral part of the Capital Increase Agreement and shall have the same legal effect as the Capital Increase Agreement. Matters not agreed to be amended in this Agreement or not covered by this Agreement shall be executed in accordance with the Capital Increase Agreement.

IV. This Agreement shall be governed by and construed in accordance with the Chinese laws, and any dispute arising from this Agreement shall be handled in accordance with the dispute resolution method agreed in the Capital Increase Agreement.

V. This Agreement is in 15 copies. The Target Company shall hold 5 copies and each of the other parties shall hold 1 copy each. This Agreement is written in both English and Chinese. In case of any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

(No text below. *Signature pages follow.*)

Exhibit 10.2

SIDE LETTER AGREEMENT

Date: November 30, 2021

This Side Letter Agreement (this "**Agreement**") is executed effective on November 30, 2021 among the following parties in Pudong New District, Shanghai:

1. **Shanghai MTM Equity Investment Fund Partnership (L.P.)**, a limited liability partnership enterprise duly incorporated and validly existing in accordance with Chinese laws ("**Capital Contributor I**")
   Address: 3303-3306, S2, BFC, No.600 Zhongshan Road(E-2), Huangpu District, Shanghai
   Unified Social Credit Code: 91310000MA1FL4N12P

2. **Qingdao MTM Venture Capital Partnership (L.P.)**, a limited liability partnership enterprise duly incorporated and validly existing under the laws of China ("**Capital Contributor II**")
   Address: 1006, East Wing, Fenghui Times Building, Taipingqiao Street, Xicheng District, Beijing
   Unified Social Credit Code: 91370281MA94CA9U2Q

3. **Hangzhou Canaan Creative Information Technology Limited**, a limited liability company duly incorporated and validly existing in accordance with Chinese laws ("**Capital Contributor III**")
   Address: Room 603-2,6/F, China Resources Building A Shangcheng District, Hangzhou, China
   Unified Social Credit Code: 913301040648566680

4. **VeriSilicon Microelectronics (Shanghai) Co., Ltd**, a limited liability company duly incorporated and validly existing in accordance with Chinese laws ("**Capital Contributor IV**")
   Address: 20 / F, Zhangjiang Building, 560 Songtao Road, Pudong New area, Shanghai，China
   Unified Social Credit Code: 91310115703490552J

5. **Ting Xin Lan (Shanghai) Management Consulting Partnership (Limited Partnership)**, a partnership enterprise duly incorporated and validly existing in accordance with Chinese laws ("**Capital Contributor V**")
   Address: Building C, No. 888, Huanhu West 2nd Road, Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone
   Business Certificate: 91310000MA1H3TK15G

6. **Xuan Xin Miao (Shanghai) Management Consulting Partnership (Limited Partnership)**, a partnership enterprise duly incorporated and validly existing in accordance with Chinese laws ("**Capital Contributor VI**")
   Address: Building C, No. 888, Huanhu West 2nd Road, Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone
   Business Certificate: 91310000MA1H3ULA80

7. **Yi Xin Ran (Shanghai) Management Consulting Partnership (Limited Partnership)**, a partnership enterprise duly incorporated and validly existing in accordance with Chinese laws ("**Capital Contributo VII**")

Address: Building C, No. 888, Huanhu West 2nd Road, Lin-gang Special Area of China (Shanghai) Pilot Free Trade Zone
Business Certificate: 91310000MA1H3U352P

8. **Chunhe Hong Kong Limited**, A Hong Kong corporation, company number 3054988 ("**Capital Contributor VIII**")
Address: Rooms 1101-04 38 Gloucester Road Hong Kong

9. **Beijing E-town Changhou Display Chip Venture Capital Center (Limited Partnership)**, a partnership enterprise duly and validly existing in accordance with Chinese Laws ("**Capital Contributor IX**")
Address: Room D1205 of CATIC Plaza, Beijing BDA Ronghua Road No.15.
Business Certificate: 91110302MA01FR644U

10. **Pixelworks Semiconductor Technology Company, LLC,** （"**Parent**"）
An American limited liability company, registration number 237548-98
Address: 16760 SW Upper Boones Ferry Road， Suite 101， Portland, Oregon, 97229，USA

11. **Pixelworks Semiconductor Technology (Shanghai) Co., Ltd.,** a limited liability company duly incorporated and validly existing in accordance with Chinese laws ("**Company**")
Address: 17 Floor No.1 Sandhill Plaza 2290 Zuchongzhi Road, Pudong New District, Shanghai, China
United Social Credit Code: 913100007696958760

The contracting parties of this Amendment shall be respectively referred to as a "**Party**" or collectively "**Parties**" in this Amendment.

RECITALS

WHEREAS: Certain of the Parties entered into that certain Capital Increase Agreement for Pixelworks Semiconductor Technology (Shanghai) Co., Ltd. dated August 9, 2021 (the "**Capital Increase Agreement**");

WHEREAS: The Parties to the Capital Increase Agreement have agreed to amend such agreement contingent upon the execution of this Agreement;

WHEREAS, Parent is the direct parent entity of the Company;

NOW THEREFORE: The Parties enter into and perform this Agreement based on equality, voluntariness and consensus:

AGREEMENT

1. Definitions.

1.1   "**Capital Contributors**" means, collectively, Capital Contributor I, Capital Contributor II, Capital Contributor III, Capital Contributor IV, Capital Contributor V, Capital Contributor VI, Capital Contributor VII, Capital Contributor VIII and Capital Contributor IX.

1.2 "**Change in Control**" means the occurrence of either of the following events: (i) an acquisition of Parent by another entity by means of any transaction or series of related transactions (including, without limitation, a merger, consolidation, stock acquisition or

otherwise) to which Parent is a party and in which a majority of the total outstanding voting power of Parent is transferred or (ii) a sale of all or substantially all of Parent's equity interest in Company to another entity that is not controlled by Parent or any controlled subsidiary of Parent; provided however, a transaction shall not constitute a Change in Control if the primary purpose of such transaction is to change the jurisdiction of the Parent's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Parent's securities immediately before such transaction.

1.3   "**Definitive Agreement**" shall mean the definitive agreement governing a Change in Control transaction.

1.4   "**Laws**" shall mean, for any person or entity, any laws, regulations, rules, orders, notices, judgments, rulings, awards, decisions and other forms of documents applicable to such person or entity that are regulatory or legally enforceable issued by any Government Authority or regulatory authority.

1.5   "**Government Authority**" shall mean the legislative, administrative, judicial, regulatory departments, agencies or committees of any country or region.

1.6   "**Qualified Listing**" shall mean the Company's initial public offering and listing on the Shanghai Stock Exchange, Shenzhen Stock Exchange, or other securities exchange markets as provided for in the Capital Increase Agreement.

1.7   "**Repurchase Provision**" shall mean a post-closing covenant in the Definitive Agreement that survives the consummation of the Change in Control transaction which provides that, if a Triggering Event occurs, the Capital Contributors have the right to request the Successor Entity to repurchase, within 60 days of such Triggering Event, all of the Company's equity held by the Capital Contributors at the original subscription price of the equity plus 20%.

1.8   "**Successor Entity**" means the successor entity resulting from the Change of Control or a parent or subsidiary of such successor entity.

1.9   "**Triggering Event**" means (a) the closing of the Change in Control or (b) following the closing of the Change in Control, the Company fails to consummate the Qualified Listing before June 30, 2024, because of one of the following reasons: (i) the Successor Entity refuses to file or withdraws the application with respect to the Qualified Listing and does not file or re-file it in time to consummate a Qualified Listing prior to June 30, 2024, (ii) the application with respect to the Qualified Listing is rejected, and such application is not re-filed, due to the Successor Entity's failure to diligently pursue approval in good faith, or (iii) the application is approved but the Successor Entity fails to consummate the Qualified Listing without good reason.

2.   Change in Control Obligation. In the event of a Change in Control, Parent shall ensure that the Definitive Agreement includes the Repurchase Provision.

3.   Effectiveness, supplement and amendment. This Agreement shall take effect upon signing (in case of a natural person) and stamping (where it is not a natural person) of the Parties of this Agreement. This Agreement may be amended or changed after the Parties to this Agreement reach consensus. Any amendment or change shall be made in writing and shall be signed (in case of a natural person) and stamped (where it is not a natural person) of the Parties of this Agreement.

4.   Termination. This Agreement shall be terminated in the following manner (for the avoidance of doubt, each Party agrees that, regardless of the provisions of the Laws or contract, this Agreement shall not be terminated for any other reasons):

1.1   The Parties to this Agreement shall mutually terminate in a written agreement and determine the effective date of termination; or

1.2   This Agreement and all obligations pursuant hereto shall terminate immediately on the date of the Qualified Listing.

5.   Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of California, without regard applicable principles of conflicts of law. Any action, suit or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement shall be brought exclusively in any federal or state court located in Santa Clara County, California. Each Party: (i) expressly and irrevocably consents and submits to the exclusive jurisdiction of and venue in each federal or state court located in Santa Clara County, California (and each appellate court located in the State of California) in connection with any such action, suit or legal proceeding; (ii) agrees that each federal or state court located in Santa Clara County, California shall be deemed to be a convenient forum; and (iii) agrees not to assert (by way of motion, as a defense or otherwise), in any such action, suit or other legal proceeding commenced in any federal or state court located in Santa Clara County, California, any claim that such party is not subject personally to the jurisdiction of such court, that such action, suit or other legal proceeding has been brought in an inconvenient forum, that the venue of such action, suit or other legal proceeding is improper, that challenges the application of the internal laws of the State of California, or that this Agreement or the subject matter of this Agreement may not be enforced in or by such court.

6.   Continuance of performance. During the dispute resolution, each Party shall continue to enjoy other respective rights under this Agreement and continue to perform relevant obligations under this Agreement.

7.   Adjustment of law. After this Agreement takes effect, if new Laws, regulations, or ordinances are promulgated or the current Laws, regulations, or ordinances are amended or

interpreted such that the economic interest of any Party or any plan set forth in this Agreement is affected by the Material Adverse Effect (as defined in the Capital Increase Agreement), each Party shall enter into negotiation immediately and make the best effort to maintain the economic interest each Party is entitled to under this Agreement, or shall continue to make adjustment necessary to enforce the affected plans, such adjustment shall not be less than the interest each Party is entitled to or the plan to be executed before such Laws, regulations and ordinances are promulgated, amended or interpreted.

8.   Transfer of this Agreement. Any Party shall not transfer the rights and/or obligations under this Agreement without other Parties' prior written consent. This Agreement shall be binding on each Party of this Agreement, its respective successors and permitted assigns and the benefit shall inure to all such Parties.

9.   Severally but not jointly. Each Capital Contributor shall have separate rights and obligations with respect to this Agreement, and each Capital Contributor shall not be deemed to form a joint venture or other affiliated relationship by reason of the execution and performance of this Agreement. Any waiver by any of the Capital Contributor of its rights or the release or termination of this Agreement shall be effective only to the extent of such party's rights and obligations and shall not constitute a waiver by the other Capital Contributors of their rights or a release or termination of this Agreement.

10.   Severability. If one or more provisions of this Agreement are declared to be invalid, non-binding or unenforceable, the remaining provisions of this Agreement shall remain in full force and shall be interpreted as closely as possible to the original language of such invalid, non-binding or unenforceable provisions.

11.   Costs and expenses. Costs, expenses and taxes incurred to the Parties in connection with this Agreement shall be borne by each of them respectively.

12.   Title. The headings and titles in this Agreement are provided for convenience only and shall not affect the meaning and interpretation of any terms of this Agreement.

13.   Notice. All the notices or other communication under this Agreement shall be in writing and delivered to the address, telephone number, or e-mail set forth in the Capital Increase Agreement, or the address, telephone number, or e-mail with prior written notice seven (7) days in advance to relevant Parties.

14.   Entire Agreement. This Agreement, together with the Capital Increase Agreement and amendments made thereto, collectively constitute the ultimate expression of the agreement of all the Parties and is the complete and exclusive representation of the agreement and understanding of the contemplated transaction of all the Parties in this Agreement. This Agreement supersedes any prior negotiation, agreement and understanding (whether written or oral) regarding the subject matter hereof.

15.   Counterpart. This Agreement is made in 15 copies. The Company holds 1 copy and each of other Parties holds 1 copy. This Agreement shall be made in both Chinese and English. In the case of any discrepancy between the versions of these two languages, the Chinese version shall prevail.

[signature page follows]

Cover Page	**Mar. 24, 2022**
Cover [Abstract]	
Document Type	8-K
Document Period End Date	Mar. 24, 2022
Entity Registrant Name	PIXELWORKS, INC
Entity Central Index Key	0001040161
Amendment Flag	false
Entity Incorporation, State or Country Code	OR
Entity File Number	000-30269
Entity Tax Identification Number	91-1761992
Entity Address, Address Line One	16760 SW Upper Boones Ferry Rd., Suite 101
Entity Address, City or Town	Portland
Entity Address, State or Province	OR
Entity Address, Postal Zip Code	97224
City Area Code	503
Local Phone Number	601-4545
Written Communications	false
Soliciting Material	false
Pre-commencement Tender Offer	false
Pre-commencement Issuer Tender Offer	false
Title of 12(b) Security	Common Stock
Trading Symbol	PXLW
Security Exchange Name	NASDAQ
Entity Emerging Growth Company	false

```
{
 "instance": {
  "pxlw-20220324.htm": {
   "axisCustom": 0,
   "axisStandard": 0,
   "contextCount": 1,
   "dts": {
    "inline": {
     "local": [
      "pxlw-20220324.htm"
     ]
    },
    "labelLink": {
     "local": [
      "pxlw-20220324_lab.xml"
     ]
    },
    "presentationLink": {
     "local": [
      "pxlw-20220324_pre.xml"
     ]
    },
    "schema": {
     "local": [
      "pxlw-20220324.xsd"
     ],
     "remote": [
      "http://www.xbrl.org/2003/xbrl-instance-2003-12-31.xsd",
      "http://www.xbrl.org/2003/xbrl-linkbase-2003-12-31.xsd",
      "http://www.xbrl.org/2003/xl-2003-12-31.xsd",
      "http://www.xbrl.org/2003/xlink-2003-12-31.xsd",
      "http://www.xbrl.org/2005/xbrldt-2005.xsd",
      "http://www.xbrl.org/lrr/role/negated-2009-12-16.xsd",
      "http://www.xbrl.org/lrr/role/net-2009-12-16.xsd",
      "https://www.xbrl.org/dtr/type/2020-01-21/types.xsd",
      "https://xbrl.sec.gov/dei/2021q4/dei-2021q4.xsd"
     ]
    }
   },
   "elementCount": 23,
   "entityCount": 1,
   "hidden": {
    "http://xbrl.sec.gov/dei/2021q4": 2,
    "total": 2
   },
   "keyCustom": 0,
   "keyStandard": 22,
   "memberCustom": 0,
   "memberStandard": 0,
   "nsprefix": "pxlw",
   "nsuri": "http://www.pixelworks.com/20220324",
   "report": {
    "R1": {
     "firstAnchor": {
      "ancestors": [
       "span",
       "div",
       "body",
       "html"
      ],
      "baseRef": "pxlw-20220324.htm",
      "contextRef": "i77b6a64329574d2bb15441f776c14033_D20220324-20220324",
      "decimals": null,
      "first": true,
      "lang": "en-US",
      "name": "dei:DocumentType",
      "reportCount": 1,
      "unique": true,
      "unitRef": null,
      "xsiNil": "false"
     },
     "groupType": "document",
     "isDefault": "true",
     "longName": "0001001 - Document - Cover Page",
     "role": "http://www.pixelworks.com/role/CoverPage",
     "shortName": "Cover Page",
     "subGroupType": "",
     "uniqueAnchor": {
      "ancestors": [
       "span",
       "div",
       "body",
       "html"
      ],
      "baseRef": "pxlw-20220324.htm",
      "contextRef": "i77b6a64329574d2bb15441f776c14033_D20220324-20220324",
      "decimals": null,
      "first": true,
      "lang": "en-US",
      "name": "dei:DocumentType",
      "reportCount": 1,
      "unique": true,
      "unitRef": null,
      "xsiNil": "false"
     }
    }
   },
   "segmentCount": 0,
   "tag": {
    "dei_AmendmentFlag": {
     "auth_ref": [],
     "lang": {
      "en-us": {
       "role": {
        "documentation": "Boolean flag that is true when the XBRL content amends previously-filed or accepted submission.",
        "label": "Amendment Flag",
        "terseLabel": "Amendment Flag"
       }
      }
     },
     "localname": "AmendmentFlag",
     "nsuri": "http://xbrl.sec.gov/dei/2021q4",
     "presentation": [
      "http://www.pixelworks.com/role/CoverPage"
     ],
     "xbrltype": "booleanItemType"
    },
    "dei_CityAreaCode": {
     "auth_ref": [],
     "lang": {
      "en-us": {
       "role": {
        "documentation": "Area code of city",
        "label": "City Area Code",
        "terseLabel": "City Area Code"
       }
      }
     },
     "localname": "CityAreaCode",
     "nsuri": "http://xbrl.sec.gov/dei/2021q4",
     "presentation": [
      "http://www.pixelworks.com/role/CoverPage"
     ],
     "xbrltype": "normalizedStringItemType"
    },
    "dei_CoverAbstract": {
     "auth_ref": [],
     "lang": {
      "en-us": {
       "role": {
        "documentation": "Cover page.",
        "label": "Cover [Abstract]",
        "terseLabel": "Cover [Abstract]"
       }
      }
     },
     "localname": "CoverAbstract",
     "nsuri": "http://xbrl.sec.gov/dei/2021q4",
     "xbrltype": "stringItemType"
    },
    "dei_DocumentPeriodEndDate": {
     "auth_ref": [],
     "lang": {
      "en-us": {
       "role": {
        "documentation": "For the EDGAR submission types of Form 8-K: the date of the report, the date of the earliest event reported; for the EDGAR submission types of Form N-1A: the filing date; for all other submission types: the end of the reporting or transition period.  The format of the date is YYYY-MM-DD.",
        "label": "Document Period End Date",
        "terseLabel": "Document Period End Date"
       }
      }
     },
     "localname": "DocumentPeriodEndDate",
     "nsuri": "http://xbrl.sec.gov/dei/2021q4",
     "presentation": [
      "http://www.pixelworks.com/role/CoverPage"
     ],
     "xbrltype": "dateItemType"
    },
    "dei_DocumentType": {
     "auth_ref": [],
     "lang": {
      "en-us": {
       "role": {
        "documentation": "The type of document being provided (such as 10-K, 10-Q, 485BPOS, etc). The document type is limited to the same value as the supporting SEC submission type, or the word 'Other'.",
        "label": "Document Type",
        "terseLabel": "Document Type"
       }
      }
     },
     "localname": "DocumentType",
     "nsuri": "http://xbrl.sec.gov/dei/2021q4",
     "presentation": [
      "http://www.pixelworks.com/role/CoverPage"
     ],
     "xbrltype": "submissionTypeItemType"
    },
    "dei_EntityAddressAddressLine1": {
     "auth_ref": [],
     "lang": {
      "en-us": {
       "role": {
        "documentation": "Address Line 1 such as Attn, Building Name, Street Name",
        "label": "Entity Address, Address Line One",
        "terseLabel": "Entity Address, Address Line One"
       }
      }
     },
     "localname": "EntityAddressAddressLine1",
     "nsuri": "http://xbrl.sec.gov/dei/2021q4",
     "presentation": [
      "http://www.pixelworks.com/role/CoverPage"
     ],
     "xbrltype": "normalizedStringItemType"
```

```
  },
  "dei_EntityAddressCityOrTown": {
   "auth_ref": [],
   "lang": {
    "en-us": {
     "role": {
      "documentation": "Name of the City or Town",
      "label": "Entity Address, City or Town",
      "terseLabel": "Entity Address, City or Town"
     }
    }
   },
   "localname": "EntityAddressCityOrTown",
   "nsuri": "http://xbrl.sec.gov/dei/2021q4",
   "presentation": [
    "http://www.pixelworks.com/role/CoverPage"
   ],
   "xbrltype": "normalizedStringItemType"
  },
  "dei_EntityAddressPostalZipCode": {
   "auth_ref": [],
   "lang": {
    "en-us": {
     "role": {
      "documentation": "Code for the postal or zip code",
      "label": "Entity Address, Postal Zip Code",
      "terseLabel": "Entity Address, Postal Zip Code"
     }
    }
   },
   "localname": "EntityAddressPostalZipCode",
   "nsuri": "http://xbrl.sec.gov/dei/2021q4",
   "presentation": [
    "http://www.pixelworks.com/role/CoverPage"
   ],
   "xbrltype": "normalizedStringItemType"
  },
  "dei_EntityAddressStateOrProvince": {
   "auth_ref": [],
   "lang": {
    "en-us": {
     "role": {
      "documentation": "Name of the state or province.",
      "label": "Entity Address, State or Province",
      "terseLabel": "Entity Address, State or Province"
     }
    }
   },
   "localname": "EntityAddressStateOrProvince",
   "nsuri": "http://xbrl.sec.gov/dei/2021q4",
   "presentation": [
    "http://www.pixelworks.com/role/CoverPage"
   ],
   "xbrltype": "stateOrProvinceItemType"
  },
  "dei_EntityCentralIndexKey": {
   "auth_ref": [
    "r1"
   ],
   "lang": {
    "en-us": {
     "role": {
      "documentation": "A unique 10-digit SEC-issued value to identify entities that have filed disclosures with the SEC. It is commonly abbreviated as CIK.",
      "label": "Entity Central Index Key",
      "terseLabel": "Entity Central Index Key"
     }
    }
   },
   "localname": "EntityCentralIndexKey",
   "nsuri": "http://xbrl.sec.gov/dei/2021q4",
   "presentation": [
    "http://www.pixelworks.com/role/CoverPage"
   ],
   "xbrltype": "centralIndexKeyItemType"
  },
  "dei_EntityEmergingGrowthCompany": {
   "auth_ref": [
    "r1"
   ],
   "lang": {
    "en-us": {
     "role": {
      "documentation": "Indicate if registrant meets the emerging growth company criteria.",
      "label": "Entity Emerging Growth Company",
      "terseLabel": "Entity Emerging Growth Company"
     }
    }
   },
   "localname": "EntityEmergingGrowthCompany",
   "nsuri": "http://xbrl.sec.gov/dei/2021q4",
   "presentation": [
    "http://www.pixelworks.com/role/CoverPage"
   ],
   "xbrltype": "booleanItemType"
  },
  "dei_EntityFileNumber": {
   "auth_ref": [],
   "lang": {
    "en-us": {
     "role": {
      "documentation": "Commission file number. The field allows up to 17 characters. The prefix may contain 1-3 digits, the sequence number may contain 1-8 digits, the optional suffix may contain 1-4 characters, and the fields are separated with a hyphen.",
      "label": "Entity File Number",
      "terseLabel": "Entity File Number"
     }
    }
   },
   "localname": "EntityFileNumber",
   "nsuri": "http://xbrl.sec.gov/dei/2021q4",
   "presentation": [
    "http://www.pixelworks.com/role/CoverPage"
   ],
   "xbrltype": "fileNumberItemType"
  },
  "dei_EntityIncorporationStateCountryCode": {
   "auth_ref": [],
   "lang": {
    "en-us": {
     "role": {
      "documentation": "Two-character EDGAR code representing the state or country of incorporation.",
      "label": "Entity Incorporation, State or Country Code",
      "terseLabel": "Entity Incorporation, State or Country Code"
     }
    }
   },
   "localname": "EntityIncorporationStateCountryCode",
   "nsuri": "http://xbrl.sec.gov/dei/2021q4",
   "presentation": [
    "http://www.pixelworks.com/role/CoverPage"
   ],
   "xbrltype": "edgarStateCountryItemType"
  },
  "dei_EntityRegistrantName": {
   "auth_ref": [
    "r1"
   ],
   "lang": {
    "en-us": {
     "role": {
      "documentation": "The exact name of the entity filing the report as specified in its charter, which is required by forms filed with the SEC.",
      "label": "Entity Registrant Name",
      "terseLabel": "Entity Registrant Name"
     }
    }
   },
   "localname": "EntityRegistrantName",
   "nsuri": "http://xbrl.sec.gov/dei/2021q4",
   "presentation": [
    "http://www.pixelworks.com/role/CoverPage"
   ],
   "xbrltype": "normalizedStringItemType"
  },
  "dei_EntityTaxIdentificationNumber": {
   "auth_ref": [
    "r1"
   ],
   "lang": {
    "en-us": {
     "role": {
      "documentation": "The Tax Identification Number (TIN), also known as an Employer Identification Number (EIN), is a unique 9-digit value assigned by the IRS.",
      "label": "Entity Tax Identification Number",
      "terseLabel": "Entity Tax Identification Number"
     }
    }
   },
   "localname": "EntityTaxIdentificationNumber",
   "nsuri": "http://xbrl.sec.gov/dei/2021q4",
   "presentation": [
    "http://www.pixelworks.com/role/CoverPage"
   ],
   "xbrltype": "employerIdItemType"
  },
  "dei_LocalPhoneNumber": {
   "auth_ref": [],
   "lang": {
    "en-us": {
     "role": {
      "documentation": "Local phone number for entity.",
      "label": "Local Phone Number",
      "terseLabel": "Local Phone Number"
     }
    }
   },
   "localname": "LocalPhoneNumber",
   "nsuri": "http://xbrl.sec.gov/dei/2021q4",
   "presentation": [
    "http://www.pixelworks.com/role/CoverPage"
   ],
   "xbrltype": "normalizedStringItemType"
  },
  "dei_PreCommencementIssuerTenderOffer": {
   "auth_ref": [
    "r3"
   ],
   "lang": {
    "en-us": {
     "role": {
      "documentation": "Boolean flag that is true when the Form 8-K filing is intended to satisfy the filing obligation of the registrant as pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act.",
      "label": "Pre-commencement Issuer Tender Offer",
      "terseLabel": "Pre-commencement Issuer Tender Offer"
     }
    }
   },
   "localname": "PreCommencementIssuerTenderOffer",
   "nsuri": "http://xbrl.sec.gov/dei/2021q4",
   "presentation": [
```

```
      "http://www.pixelworks.com/role/CoverPage"
     ],
     "xbrltype": "booleanItemType"
    },
    "dei_PreCommencementTenderOffer": {
     "auth_ref": [
      "r4"
     ],
     "lang": {
      "en-us": {
       "role": {
        "documentation": "Boolean flag that is true when the Form 8-K filing is intended to satisfy the filing obligation of the registrant as pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act.",
        "label": "Pre-commencement Tender Offer",
        "terseLabel": "Pre-commencement Tender Offer"
       }
      }
     },
     "localname": "PreCommencementTenderOffer",
     "nsuri": "http://xbrl.sec.gov/dei/2021q4",
     "presentation": [
      "http://www.pixelworks.com/role/CoverPage"
     ],
     "xbrltype": "booleanItemType"
    },
    "dei_Security12bTitle": {
     "auth_ref": [
      "r0"
     ],
     "lang": {
      "en-us": {
       "role": {
        "documentation": "Title of a 12(b) registered security.",
        "label": "Title of 12(b) Security",
        "terseLabel": "Title of 12(b) Security"
       }
      }
     },
     "localname": "Security12bTitle",
     "nsuri": "http://xbrl.sec.gov/dei/2021q4",
     "presentation": [
      "http://www.pixelworks.com/role/CoverPage"
     ],
     "xbrltype": "securityTitleItemType"
    },
    "dei_SecurityExchangeName": {
     "auth_ref": [
      "r2"
     ],
     "lang": {
      "en-us": {
       "role": {
        "documentation": "Name of the Exchange on which a security is registered.",
        "label": "Security Exchange Name",
        "terseLabel": "Security Exchange Name"
       }
      }
     },
     "localname": "SecurityExchangeName",
     "nsuri": "http://xbrl.sec.gov/dei/2021q4",
     "presentation": [
      "http://www.pixelworks.com/role/CoverPage"
     ],
     "xbrltype": "edgarExchangeCodeItemType"
    },
    "dei_SolicitingMaterial": {
     "auth_ref": [
      "r5"
     ],
     "lang": {
      "en-us": {
       "role": {
        "documentation": "Boolean flag that is true when the Form 8-K filing is intended to satisfy the filing obligation of the registrant as soliciting material pursuant to Rule 14a-12 under the Exchange Act.",
        "label": "Soliciting Material",
        "terseLabel": "Soliciting Material"
       }
      }
     },
     "localname": "SolicitingMaterial",
     "nsuri": "http://xbrl.sec.gov/dei/2021q4",
     "presentation": [
      "http://www.pixelworks.com/role/CoverPage"
     ],
     "xbrltype": "booleanItemType"
    },
    "dei_TradingSymbol": {
     "auth_ref": [],
     "lang": {
      "en-us": {
       "role": {
        "documentation": "Trading symbol of an instrument as listed on an exchange.",
        "label": "Trading Symbol",
        "terseLabel": "Trading Symbol"
       }
      }
     },
     "localname": "TradingSymbol",
     "nsuri": "http://xbrl.sec.gov/dei/2021q4",
     "presentation": [
      "http://www.pixelworks.com/role/CoverPage"
     ],
     "xbrltype": "tradingSymbolItemType"
    },
    "dei_WrittenCommunications": {
     "auth_ref": [
      "r6"
     ],
     "lang": {
      "en-us": {
       "role": {
        "documentation": "Boolean flag that is true when the Form 8-K filing is intended to satisfy the filing obligation of the registrant as written communications pursuant to Rule 425 under the Securities Act.",
        "label": "Written Communications",
        "terseLabel": "Written Communications"
       }
      }
     },
     "localname": "WrittenCommunications",
     "nsuri": "http://xbrl.sec.gov/dei/2021q4",
     "presentation": [
      "http://www.pixelworks.com/role/CoverPage"
     ],
     "xbrltype": "booleanItemType"
    }
   },
   "unitCount": 0
  }
 },
 "std_ref": {
  "r0": {
   "Name": "Exchange Act",
   "Number": "240",
   "Publisher": "SEC",
   "Section": "12",
   "Subsection": "b"
  },
  "r1": {
   "Name": "Exchange Act",
   "Number": "240",
   "Publisher": "SEC",
   "Section": "12",
   "Subsection": "b-2"
  },
  "r2": {
   "Name": "Exchange Act",
   "Number": "240",
   "Publisher": "SEC",
   "Section": "12",
   "Subsection": "d1-1"
  },
  "r3": {
   "Name": "Exchange Act",
   "Number": "240",
   "Publisher": "SEC",
   "Section": "13e",
   "Subsection": "4c"
  },
  "r4": {
   "Name": "Exchange Act",
   "Number": "240",
   "Publisher": "SEC",
   "Section": "14d",
   "Subsection": "2b"
  },
  "r5": {
   "Name": "Exchange Act",
   "Number": "240",
   "Publisher": "SEC",
   "Section": "14a",
   "Subsection": "12"
  },
  "r6": {
   "Name": "Securities Act",
   "Number": "230",
   "Publisher": "SEC",
   "Section": "425"
  }
 },
 "version": "2.1"
}
```