

Cui Gang
 Form 4
 December 06, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Cui Gang

2. Issuer Name and Ticker or Trading Symbol
 PIXELWORKS, INC [PXLW]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 ROOM 301-303, NO. 88 LANE
 887, ZUCHONGZHI ROAD
 ZHANGJIANG HI-TECH PARK

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/04/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP, General Manager, China

(Street)
 SHANGHAI, 201203

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date	7. Title and Underlying
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		(Instr. 3 and 4)	
				Code	V	(A)	(D)		Date Exercisable
Non-Qualified Stock Option (right to buy)	\$ 2.49	12/04/2006	A		16,700		(1)	12/04/2013	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 2.49	12/04/2006	A		100,000		(2)	12/04/2016	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 5.02						(3)	02/15/2016	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 6.46						(4)	07/23/2013	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 8.66						(5)	12/02/2012	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 9.15						(6)	07/28/2014	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 9.22						(7)	10/01/2013	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 9.48	12/04/2006	J ⁽⁸⁾		25,000		(9)	03/04/2015	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 10.25	12/04/2006	J ⁽⁸⁾		31,800		(10)	01/15/2012	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 14.84	12/04/2006	J ⁽⁸⁾		10,000		(11)	06/21/2014	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Cui Gang ROOM 301-303, NO. 88 LANE 887 ZUCHONGZHI ROAD ZHANGJIANG HI-TECH			VP, General Manager, China	

PARK
SHANGHAI, 201203

Signatures

Gang (Mark) 12/05/2006
Cui

 Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Options become exercisable over 18 months as follows: 33.3% on June 30, 2007 and 66.7% becoming exercisable at a rate of 5.56% on a monthly basis thereafter over 12 months, or through June 30, 2008.
- (2) Becomes exercisable on a monthly basis over 3 years.
The options become exercisable on a monthly basis over a 4-year period which commences February 15, 2006, as follows: 10% exercisable as of February 15, 2007, 20% exercisable as of February 15, 2008, 30% as of February 15, 2009 and 40% exercisable as of February 15, 2010.
- (3) The options become exercisable monthly over a 4 year period which commenced on July 31, 2003 as follows: 10% becoming exercisable by July 31, 2004, 20% becoming exercisable by July 31, 2005, 30% becoming exercisable by July 31, 2006, and 40% becoming exercisable by July 31, 2007.
- (4) The options become exercisable monthly over a 4 year period which commenced on December 31, 2002 as follows: 10% becoming exercisable by December 31, 2003, 20% becoming exercisable by December 31, 2004, 30% becoming exercisable by December 31, 2005, and 40% becoming exercisable by December 31, 2006.
- (5) The options become exercisable monthly over a 4 year period which commenced on July 31, 2004 as follows: 10% becoming exercisable by July 31, 2005, 20% becoming exercisable by July 31, 2006, 30% becoming exercisable by July 31, 2007, and 40% becoming exercisable by July 31, 2008.
- (6) The options become exercisable monthly over a 4 year period which commenced on October 31, 2003 as follows: 10% becoming exercisable by October 31, 2004, 20% becoming exercisable by October 31, 2005, 30% becoming exercisable by October 31, 2006, and 40% becoming exercisable by October 31, 2007.
- (7) Option grant was voluntarily surrendered pursuant to the option exchange program. All outstanding options thereunder were canceled and a new option was granted in accordance with the terms of the option exchange program.
- (8) The options become exercisable monthly over a 4-year period which commenced on March 4, 2005, with 10% becoming exercisable by March 4, 2006, 20% becoming exercisable by March 4, 2007, 30% becoming exercisable by March 4, 2008, and 40% becoming exercisable by March 4, 2009.
- (9) The options become exercisable over a 4-year period as follows: 15,000 on January 31, 2003; monthly vesting between February 2003 and January 2005 for a total of 30,000 shares; and monthly vesting between February 2005 and January 2006 for a total of 5,000 shares.
- (10) The options become exercisable monthly over a 4 year period which commenced on June 30, 2004 as follows: 10% becoming exercisable by June 30, 2005, 20% becoming exercisable by June 30, 2006, 30% becoming exercisable by June 30, 2007, and 40% becoming exercisable by June 30, 2008.
- (11)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.