



# VUTURES INTELLIGENCE REPORT

28 JANUARY 2026

## Executive Summary:

- Meta has announced significant layoffs and the shutdown of several VR studios as part of a strategic pivot towards AI and wearables.
- The CES 2026 showcased a shift towards mainstream adoption of smart glasses, with notable partnerships and innovations.
- Google and XREAL have extended their partnership to enhance the Android XR ecosystem.

## Business Activities:

- Meta's Studio Shutdowns: Meta is closing three gaming studios in Austin - Armature Studio, Twisted Pixel Games, and Sanzaru Games. This decision is part of a broader strategy to cut the metaverse budget by 30% and redirect resources towards AI wearables. The layoffs will affect approximately 1,500 employees from the Reality Labs division, representing about 10% of its workforce.
- Impact on Projects: The VR fitness app Supernatural will enter maintenance mode, and Meta is encouraging developers to create kid-friendly games for Horizon Worlds. The focus will shift to mobile accessibility for Horizon Worlds, integrating with Facebook and Instagram

## Market Trends:

- CES 2026 Highlights: The event marked a significant shift towards smart glasses, with companies like XREAL and Viture showcasing innovative products. XREAL secured \$100 million in funding and partnered with Asus ROG for gaming smart glasses.





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## Market Trends Cont...

- XREAL and Google Partnership: XREAL has been named a lead hardware partner for the Android XR ecosystem, focusing on the upcoming Project Aura glasses, which will feature advanced spatial computing capabilities.

## Technology Updates

- XREAL's Project Aura: Scheduled for consumer launch in 2026, these wired XR glasses will utilize XREAL's X1S spatial computing chip and Qualcomm Snapdragon processor. They will support applications for virtual workspaces and media consumption, integrating with Google's Gemini AI.

## Funding & Investment News

- XREAL Funding: The company secured \$100 million in funding to support its development of smart glasses and XR technologies.

## Community Pulse

- Industry Reactions to Meta's Changes: There has been frustration among VR developers regarding the low usage of Horizon Worlds and the lack of clear communication from Meta about its strategic direction.

This report highlights the dynamic landscape of XR developments in the APAC region, focusing on business activities, market trends, and technological advancements.

